

Additional Information for 2025 PURA Group Health Plans

Premium Increases

Premiums for 2025 have increased at unusual rates. This is due to a number of major changes to Medicare programs that will be implemented for 2025. Those changes are:

- A) The implementation of the Inflation Reduction Act of 2022. Among the many objectives of the of the Act were reducing the Federal Government’s budget deficit, lowering prescription drug prices, allowing Medicare to negotiate drug prices and capping out-of-pocket costs for prescriptions at \$2,000 per year for 2025.

The Inflation Reduction Act has yielded positive results that will benefit many seniors on Medicare Part D plans. These include lowering the cost of insulin to \$35 per month starting in 2024, lowering the maximum out-of-pocket costs for prescription drugs in 2025 to \$2000, eliminating the coverage gap “donut hole” for all Medicare recipients for 2025, and giving Medicare authority to further negotiate reduced drug prices for additional drugs during 2026 and beyond.

Beginning in 2025, the Inflation Reduction Act also shifts costs, which are currently paid by retirees, to the insurance companies. The companies then pass on those additional costs as either premium increases, a reduction in benefits, or both.

Additionally for 2025, Medicare has reduced the Federal subsidies to Medicare Advantage plans. Many individual plans will reduce or eliminate “Extra” benefits, increase Deductibles, and/or increase the Annual Out-of-Pocket Maximum.

- B) There are factors in addition to the actions of the federal government that are pushing premiums upward. Those factors are:
- 1) Increasing utilization of medical services. Medical procedures that were delayed during COVID have been scheduled during 2023 and 2024. Insurance companies are paying more out in claims and expect utilization to remain high during 2025.
 - 2) There has been an increased utilization of prescription drugs, especially high-cost drugs, that is driving premiums upward.
 - 3) The rising costs of prescription drugs and medical services.

2025 Part D Coverage Changes

Coverage for PURcare (UHC Senior Supplement and Part D prescription drug plan) and UHC Group Medicare Advantage PPO (including Part D prescription plan) is unchanged except for the following:

- A) The coverage gap or “donut hole” has been eliminated from Medicare Part D prescription drug plans.
- B) The 2025 annual maximum out-of-pocket cost for Part D covered prescriptions is lowered to \$2,000/member.
- C) All Part D plans must offer an option to average the out-of-pocket cost of drugs over the calendar year. Information about this option will be provided by the insurance companies.