MPGROUP
NAVIGATE MEDICARE TOGETHER

MP Compass

January 2025

Medicare Cost Updates for 2025

As January 1 marks the start of the new Medicare plan year, it also brings changes to Medicare costs.

Below are updates to costs affecting all beneficiaries enrolled in Original Medicare and a Medicare Supplement plan. Please note that these changes are separate from adjustments to their specific plans, such as premiums, deductibles or copays for Medicare Part C, Part D, or Medicare Supplement policies.

Part B Premium Changes

In 2025, the Centers for Medicare & Medicaid Services (CMS) increased the Medicare Part B base premium from $174.70 to $185 per month—a monthly increase of $10.30, or approximately 6%, from 2024. This change impacts all Medicare beneficiaries.

Part B Deductible Changes

The Medicare Part B deductible has risen from $240 in 2024 to $257 in 2025, an increase of $17. This change impacts all beneficiaries enrolled in Original Medicare with a Medicare Supplement plan, including Plans G, N, and G High-Deductible.

Medicare Part D Changes

Most of you are familiar with the Part D changes as discussed during the Annual Enrollment Period. However, it is always good to revisit any changes that could impact out-of-pocket costs.

In 2025, the Medicare Part D maximum annual deductible increased to $590 in 2025 from $545 in 2024. Note that a plan may offer a lower deductible, but cannot be higher than $590.

The Medicare Part D Base Beneficiary Premium is $36.78 for 2025, up by $2.08 from 2024. Starting in 2025, The Centers for Medicare and Medicaid Services (CMS) has limited premium increases to a maximum of 6% annually. This premium is applied to the calculations for Part D late enrollment penalties and Part D Income-Related Monthly Adjustment Amounts (IRMAA).

New! Part D Out-of-Pocket Maximum

For the first time since its inception in 2007, all Medicare Part D plans now feature a $2,000 maximum out-of-pocket limit. In 2025, once beneficiaries reach this limit, they will move into the "catastrophic phase," which means all covered medications will have a zero copay for the remainder of the calendar year. This $2000 limit applies to both stand-alone Part D plans and Medicare Advantage plans that include Part D drug coverage.

New! Medicare M3P Program

The **M3P program**, introduced in 2025, allows Medicare beneficiaries to spread their out-of-pocket costs (deductibles, copays and coinsurance) evenly over the plan year. All plans offer this benefit, and participation is voluntary. This benefit can ease the financial burden for those reaching catastrophic coverage early in the year.

Example #1:

- Member cost of medications in January: $600
- Enrollment in the M3P Program: $600 spread over 12 months = $50/ month

Example #2:

- Member cost of medications in March: $1,200
- Enrollment in the M3P Program: $1,200 spread over 10 months = $120/ month

Note: All out-of-pocket expenses count toward the plan's maximum out-of-pocket limit, which is typically $2,000 (or less in some plans).

IRMAA Payments in 2025

For 2025, IRMAA calculations for individuals and married couples is based on their 2023 Modified Adjusted Gross Income (MAGI).

If, in 2023, an individual earned over $106,000, or a married couple filing jointly earned over $212,000, they will pay more for their Medicare Parts B and D in 2025.

Note: Beneficiaries should have received an SSA statement in November indicating their Medicare premiums for 2025.

If beneficiaries have experienced a life-changing event that reduces their income in 2025, they can appeal their IRMAA obligation by submitting Form SSA-44 to the Social Security Administration.

Your Trusted Medicare Partner

At MP Group, we're committed to use our newsletter as a vehicle to communicate important changes throughout the year. If you have questions about these updates or need additional guidance, don't hesitate to contact me at any time.

Know more and stress less with MP Group.

More From MP Group

MP HAPPY HOUR

#MPHoliday!

At MP Group, we don't just work well together—we genuinely enjoy each other's company and love finding time to socialize and connect! Our talented group came together to celebrate the close of another successful Annual Enrollment Period and the holiday season.

#MP TIP

New Year, New Changes.

If you are planning to move or retire in 2025, you will qualify for a Special Enrollment Period (SEP). Contact us at least 60 days before your life change so we can assist you in enrolling and/ or managing your Medicare benefits. Proper planning is important to avoid gaps in coverage and late enrollment penalties.

#MP Recipe Box

Peppermint Mocha Espresso Martini

Prep Time: 10 Minutes

Ingredients

- 1/2 tsp Cocoa powder
- 1/4 tsp Peppermint extract
- 1/4 tsp Vanilla extract
- 1 1/2 oz Espresso, hot
- 1 1/2 oz Coffee liqueur
- 1 oz Vodka
- 1 1/2 ounces Creamer of Choice
- Ice

Steps

- Gather ingredients. Prepare the espresso, measure the vodka, coffee liqueur, cocoa powder, creamer and flavor extracts, and fill a shaker with ice.
- Combine all ingredients to the shaker, pouring the espresso last to keep the ice cold.
- Shake vigorously for 15-30 seconds to create foam.
- Strain into a glass, garnish if desired, and enjoy!

Medicare Changes To Watch For In 2025

Several key developments in healthcare could significantly impact Medicare this year. Here's what our team at MP Group are keeping an eye on:

GLP-1 Medications: The Health Benefits and Costs Associated to Medicare

Many Medicare Part D and Medicare Advantage plans with Part D coverage include GLP-1 medications for managing Type 2 diabetes and cardiovascular disease. In 2025, commonly covered medications include Ozempic, Mounjaro, Rybelsus, and Trulicity. However, weight-loss-specific medications like Wegovy and Zepbound/Tirzepatide remain excluded from Medicare formularies. This exclusion stems from a statutory prohibition on Medicare covering weight-loss drugs.

What could change? The Biden administration is advocating for weight-loss medications to be approved under Medicare and Medicaid, citing potential eligibility for an estimated 7.4 million beneficiaries. The estimated cost for these medications would be over $40 billion in the next decade for state and federal governments. With the presidential change in 2025, the direction of this policy remains uncertain; however, we'll continue monitoring developments to keep you informed.

The Elimination of the Donut Hole

As of 2025, the Medicare Part D "donut hole" coverage gap is officially eliminated. Alongside this change, the introduction of the M3P program enables beneficiaries to spread copayments evenly throughout the year, making monthly prescription costs more predictable and manageable.

Fewer Medicare Plan Options

In 2025, many insurance companies have decided to remove certain Medicare plans from the market. These decisions are often influenced by:

- **Financial challenges:** Some plans were unprofitable.
- **Lower star ratings:** A drop in CMS star ratings will reduce reimbursements, straining a plan's financial viability.
- **Legislative impacts:** Changes under the Inflation Reduction Act have made it difficult for providers to economically sustain certain stand-alone Part D plans.

Starting in 2025, a premium stabilization demonstration was introduced to help offset the rising costs insurance providers face with prescription drug benefits. The new $2,000 out-of-pocket limit presents significant financial challenges for plan providers, and this three-year demonstration aims to alleviate some of the burden by capping annual premium increases for participating plans at $35 per month.

As we move through 2025, a key focus will be on which medications are approved for coverage and how their associated costs may impact the 2026 plan year.

Medicare Calendar

January 1 through March 31

General Enrollment Period:

If you missed your initial enrollment period and aren't eligible for a SEP, you can still enroll for Parts A and B during this enrollment period. Your coverage will begin the 1st of the month following submission.

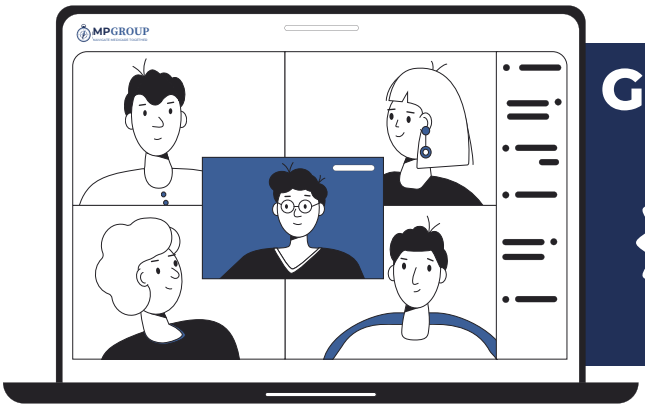
Medicare Advantage Open Enrollment Period:

During this enrollment period, you can make a one-time change to your Medicare Advantage benefits.

There are two changes that you can make to your Medicare coverage: enroll in another Medicare Advantage plan with or without drug coverage; or disenroll from your Medicare Advantage plan and return to Original Medicare with a Part D drug plan.

Any change requests go in to effect the first of the month following application submission.

MP Group's Educational Events



Get Smarter about Medicare!

FREE

LIVE

Interactive

Available Upon Request

We know Medicare and we love to share our knowledge. Each webinar is designed to deliver Medicare information in a simplified and understandable manner.

New to Medicare

Medicare Basics

Topics:

- Medicare Parts A, B, C, D and Medigap
- Enrollment Periods
- Eligibility
- Medicare Costs

45 Minutes

Medicare Working Past 65

Topics:

- Dates, timelines, and actions you need to take when working past 65
- Coordination of benefits; who pays first?

20 Minutes

New and Existing Medicare Beneficiaries

Original Medicare vs Medicare Advantage

Topics:

- Differences between Medicare Advantage and Original Medicare
- How to choose which option is right for you

20 Minutes

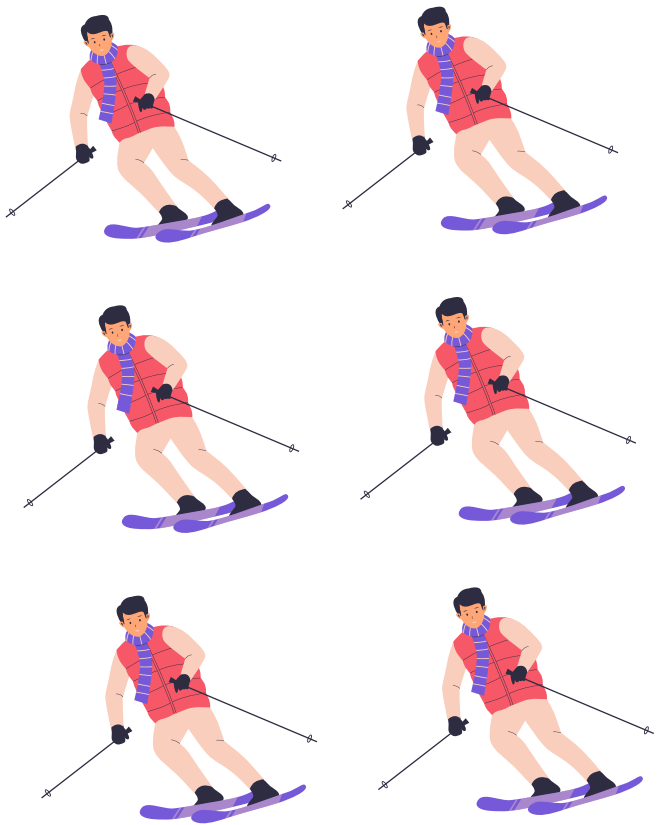
Medicare Part D - What You Need To Know

Topics:

- How Medicare Part D plans work
- Cost of Medicare Part D
- Enrollment dates

20 Minutes

Find the odd one out



Important Phone #'s You Need To Know

MP Group - 703-214-4600

CMS - 1-800-MEDICARE (1-800-633-4227)

Social Security Administration - 1-800-772-1213