



# THE RETIREMENT REPORT

Monthly Medicare & Retirement Planning Newsletter



## Harvesting Helpful Tips: Fall Updates for Retirement

By Anne de Leon



With the fall season in full swing, this edition is filled with helpful updates and tips to keep you informed and prepared. In this issue, we'll guide you through important Medicare medication changes for 2025 and remind you to review your plan during the Annual Enrollment Period.

November is Long-Term Care Awareness Month, a time to reflect on the importance of planning for the future and ensuring access to the care you or your loved ones may need. We'll also cover Social Security's new online application for Supplemental Security Income (SSI), designed to streamline the process and make it easier for those who need assistance. Plus, learn about Medicare's first-ever negotiated prices for 10 of the costliest medications, which could lead to significant savings for millions of older adults. And for a little seasonal fun, don't miss our Fall Bucket List for ideas on fully enjoying the autumn season!

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# Medicare Unveils First Negotiated Prices for 10 of the Costliest Medications

Millions of older Americans are about to experience significant savings on their prescription drugs. For the first time, Medicare has negotiated lower prices for ten of its prescription drug program's most expensive and widely used medications (Part D). These include Eliquis, Jardiance, Xarelto, Januvia, Farxiga, Entresto, Enbrel, Imbruvica, Stelara, and NovoLog/Fiasp. This historic move, made possible by the 2022 prescription drug law aims to reduce healthcare costs for Medicare enrollees.

These new prices will take effect in 2026 and cover medications of severe conditions such as diabetes, heart failure, arthritis, kidney disease, cancer, and more. In 2023 alone, more than 9 million Medicare enrollees relied on one or more of these ten drugs. The savings are expected to be substantial, with Medicare Part D enrollees projected to save \$1.5 billion in out-of-pocket costs in 2026. If these negotiated prices had been in place last year, Medicare would have saved \$6 billion.

## Historic Savings for Medicare Enrollees

U.S. Department of Health and Human Services (HHS) Secretary Xavier Becerra described the announcement as historic. "Americans pay way too much for their prescription drugs. For the first time, Medicare negotiated directly with drug companies, and the American people are better off for it," he said.

The impact on savings is significant. For example, a 30-day supply of Januvia, a diabetes medication, has been discounted by 79%, while the NovoLog pen, also used for diabetes, is now 76% cheaper than its list price. These lower prices mean that millions of Medicare beneficiaries can afford their medications without making tough financial sacrifices.

## A Step Forward in Reducing Drug Costs

This major win for Medicare beneficiaries is part of an AARP-backed prescription drug law designed to lower out-of-pocket expenses and expand healthcare benefits for older Americans. The federal government selected the ten drugs from a list of 50 medications that Medicare Part D spends the most on and that are widely used. These medications accounted for over \$56 billion in Medicare Part D spending in 2023, with beneficiaries paying \$3.4 billion out of their pockets in 2022. With these new negotiated prices, many older Americans will finally see financial relief.

Nancy LeaMond, AARP's executive vice president, highlighted how important this change is: "AARP members from across the political spectrum overwhelmingly called lowering prescription drug costs a top concern — and this first round of Medicare-negotiated prices will bring financial relief to millions of older Americans."

## The Burden of High Medication Costs

For many older adults, high prescription costs have been a constant source of stress. A 2023 AARP survey showed that 60% of older adults worry about affording the medications they or their family members need. The cost burden has even forced some to skip doses or stop taking their medications altogether—a dangerous gamble for their health.

## Current Annuity Rates November 2024

**5.10%**

3 Year Fixed Annuity

**5.40%**

5 Year Fixed Annuity

*To find out more,  
contact me: 314-287-0179*

## Medicare Unveils First Negotiated Prices cont'd...

For example, Barbara Fabyan, a retired educator from Indiana shared how her husband's medications pushed them into Medicare's coverage gap (often called the "donut hole") by March of 2023. The out-of-pocket expenses were overwhelming, forcing the couple to cut back on everyday activities like dining out to cover medication costs. Fortunately, this gap will be eliminated in 2025, and by then, Medicare enrollees will benefit from a new \$2,000 cap on out-of-pocket prescription drug expenses.



### What's Next?

The 10 medications selected for 2026 are just the beginning. Medicare will negotiate the prices of 15 more drugs for 2027, another 15 for 2028, and 20 additional drugs each year thereafter. These negotiations are expected to save the Medicare program \$98.5 billion over the next 10 years, according to estimates from the Congressional Budget Office.

In addition to the negotiated prices, other 2022 prescription drug law provisions are already making medications more affordable for older adults. For example, in 2023, a \$35 monthly copay cap for insulin was introduced, and coinsurance amounts were lowered for medications whose prices have been rising faster than inflation. Lifesaving vaccines are also now available for people with Medicare prescription drug plans.

The future looks brighter for Medicare beneficiaries, especially with the \$2,000 annual out-of-pocket cap coming in 2025. This cap will provide much-needed financial relief to those who have been struggling with high drug expenses for years.

As AARP's prescription drug policy principal, Leigh Purvis, notes, "Older adults have been struggling with high prescription drug prices for too long. The announcement of the first Medicare-negotiated drug prices is just the latest evidence of how the 2022 prescription drug law is creating much-needed savings for Medicare beneficiaries as well as the Medicare program and the taxpayers who fund it."



### More Savings Are on the Horizon

These first 10 negotiated drug prices are just the beginning of Medicare's efforts to bring down healthcare costs for older Americans. The upcoming negotiations for more drugs in the following years, coupled with additional provisions like free vaccines and the out-of-pocket spending cap, are poised to make a lasting impact on millions of lives.

For Medicare enrollees, these changes represent not only significant financial savings but also the peace of mind that they can continue to afford the medications they need to stay healthy.

## Social Security Rolls Out New Online Application

The Social Security Administration (SSA) is working to simplify the application process for Supplemental Security Income (SSI), a monthly benefit for people with limited financial resources who are 65 or older, blind, or disabled. As part of this effort, SSA is expanding its online system, making it easier and more accessible for people to apply for SSI benefits. By late 2025, SSA plans to offer a fully digital application process, eliminating much of the current complexity.

This change is part of a broader initiative to improve the application process for those who rely on SSI. Currently, most people can only start the process online, with follow-up steps that require in-person or phone interactions. The new system aims to reduce this burden, providing a more streamlined, user-friendly experience.

### Why Is This Important?

SSI is a crucial safety net for many older adults and people with disabilities who have limited income and resources. In 2023, more than 7.4 million people received SSI benefits, with over half of them aged 50 or older. The maximum monthly SSI payment in 2024 is \$943 for individuals and \$1,415 for eligible married couples, but these amounts can be reduced based on income or other financial support.

The current application process has been described as long, confusing, and difficult to navigate. With this new online system, SSA hopes to make applying for SSI much easier, especially for those who may struggle to get through on the phone or visit a Social Security field office.

### What's Changing?

As of now, SSA's iClaim system allows people to apply for Social Security retirement and disability benefits online. By the end of 2024, the iClaim system will be expanded to include SSI applications for some individuals. The full rollout of this system, including all SSI applicants (such as those applying due to age), is expected by late 2025 or early 2026.

Joel Eskovitz, senior director for Social Security and savings at AARP, noted that this is "a great first step" toward making the process less burdensome. He hopes it will soon be available to all SSI applicants, including those 65 and older, to reduce wait times and simplify the application process.

### Additional Improvements

In addition to the expanded online system, SSA has made other changes to simplify the process for SSI applicants. These include:

- **Pre-filled Forms:** If you have a My Social Security account, the new SSI form will automatically fill in basic information like your name, date of birth, and Social Security number, cutting down the number of questions from 54 to just 23.
- **Digital Signatures:** You can now sign many SSA forms digitally, reducing the need to print, sign, and mail or fax paperwork.
- **Work History Requirements:** For people applying for disability benefits, SSA has reduced the amount of work history needed to just the past five years, down from 15 years.



## Social Security cont'd...

### The Long Road Ahead

Despite these improvements, the SSI application process can still be challenging. Applicants must gather extensive documentation, including medical records and evidence of their disability, which can be time-consuming. On average, it currently takes about seven-and-a-half months to process an SSI application, and that timeline has nearly doubled since the pandemic.

Jack Smalligan, senior policy fellow at the Urban Institute, advises that people considering applying for SSI should not wait for the full online system to roll out. "Start the process as soon as possible by making an appointment at a field office," he says. The sooner you start, the sooner your filing date is locked in, which becomes the start date for payments if your claim is approved.

### Conclusion: A Step in the Right Direction

While the SSI application process changes are promising, they are just the beginning of a larger effort to make the system more accessible for those who need it most. By streamlining applications and introducing a fully online option, SSA is taking steps toward reducing the burden on older adults and people with disabilities.

If you or a loved one may be eligible for SSI benefits, starting the process early is a good idea. As the system continues to evolve, these changes will hopefully make applying for benefits easier and faster in the future.

# FALL

## Bucket List

- Go apple picking
- Bake pumpkin bread
- Visit a pumpkin patch
- Decorate trick or treat bags
- Drink warm apple cider
- Buy fall scented candles
- Watch Hocus Pocus
- Go on a hayride
- Attend a Halloween party
- Buy a cozy sweater
- Decorate the front door
- Carve a pumpkin
- Wear a flannel
- Make a fall wreath
- Bonfire with s'mores
- Paint acorns
- Toast marshmallows
- Make pine cone bird feeders
- Roast pumpkin seeds
- Go stargazing
- Attend a fall festival
- Paint pumpkins
- Watch a football game
- Take a fall family photo
- Create a fall cocktail/mocktail
- Make your favorite soup
- Try a new crock-pot recipe
- DIY fleece blankets
- Learn to crochet
- Have a candlelit dinner
- Paint rocks
- Pass out Halloween candy
- Read books by the fireplace
- Make leaf shape cookies
- Have a family game night
- Make homemade hot cocoa
- Send out fall cards to friends
- Have a cornbread and chili night
- Put together a puzzle
- Bake an apple pie



## Medicare Annual Enrollment

The Medicare Annual Enrollment Period (AEP) is here, and now is the perfect time to review your current coverage. Plans and healthcare needs can change yearly, so ensuring your current plan still meets your needs and budget for 2025 is essential. Whether you're happy with your current plan or looking for new options, I'm here to help you navigate the process.



If you haven't yet reviewed your Medicare plan, please reach out to schedule a quick consultation. Together, we can explore all available options to ensure you're getting the best coverage for the coming year. Don't wait—the AEP ends on December 7th, so let's ensure you're set for 2025!

 <p><b>OCT</b></p> <p><b>Annual Enrollment Period BEGINS</b></p> <p>This is the first day you can enroll for 2025 coverage.</p>	 <p><b>DEC</b></p> <p><b>Annual Enrollment Period ENDS</b></p> <p>This is the last day you can enroll for 2025 coverage.</p>	 <p><b>JAN</b></p> <p><b>First date coverage can START</b></p> <p>New Medicare plan goes into effect.</p>
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## November is Long-Term Care Awareness Month

November is Long-Term Care Awareness Month, a time dedicated to highlighting the long-term care needs of individuals over the age of 65. As we age, many of us will require help with basic daily activities like bathing, dressing, and eating. This month is about more than just providing physical assistance—it's about showing compassion, ensuring that our loved ones don't feel alone or neglected, and acknowledging that everyone deserves proper care until their final days.



### Why Plan for Long-Term Care?

According to the Department of Health and Human Services, nearly half of those who reach age 65 will need long-term care, and the costs can be substantial, averaging \$120,900 per person. Many mistakenly believe Medicare will cover these expenses, but it only covers short-term skilled care. This is where long-term care insurance comes in.

## November is Long-Term Care Awareness cont'd...

### Understanding Long-Term Care Insurance

LTC insurance helps cover care costs at home, assisted living, or in nursing homes. Traditional policies require regular premiums but may rise over time. Hybrid policies, which combine LTC coverage with life insurance or annuities, offer more flexibility by providing care benefits or life insurance payouts if care isn't needed.

### What to Consider When Choosing Long-Term Care Insurance

Choosing the right long-term care insurance policy depends on several factors, including your health, age, financial situation, and personal goals. Here are a few things to keep in mind:

- **Your Budget:** Make sure the premiums won't strain your finances. A good rule of thumb is that LTC insurance premiums shouldn't exceed 7% of your income.
- **Your Assets:** If you're looking to protect assets for your heirs, LTC insurance may be worth considering if you have at least \$75,000 in assets (excluding your home).
- **Your Health:** The earlier you purchase LTC insurance, the lower the premiums. People in their 50s and early 60s are often in the best position to get affordable coverage.
- **Your Financial Goals:** If leaving an inheritance is important to you, a hybrid LTC policy might offer peace of mind by combining long-term care benefits with life insurance.



### What If You Already Have a Long-Term Care Policy?

If you already have a traditional LTC policy, you might see premium increases over time. When that happens, you can either accept the higher premiums to maintain your coverage or reduce your benefits to keep the same premium rate. Dropping the policy entirely might be tempting, but it's usually not advisable—finding new coverage at an older age is often more expensive and complicated.

### Plan for Peace of Mind

Long-Term Care Awareness Month serves as a reminder that planning for long-term care is crucial for maintaining both your financial security and peace of mind. The unexpected costs of long-term care can significantly impact your savings if you're unprepared. Whether through family support, personal savings, or LTC insurance, having a plan in place ensures you're ready for whatever the future may bring. If you're considering long-term care insurance, weigh your options carefully and consult a financial advisor to find a policy that aligns with your needs and goals.

Everyone deserves access to compassionate and effective care. By planning ahead, you can help ensure that you or your loved ones receive the care needed when the time comes, without the added stress of financial strain. Taking these steps now can alleviate worry and allow you to focus on enjoying the later stages of life, knowing you have the right support in place.

# Upcoming MO Medicare 101 Workshops

**St. Louis County Library**

**Grant's View Branch**

9700 Musick Rd.

St. Louis, MO 63123

- Nov. 13th at 6:00pm

**St. Louis County Library**

**Bridgeton Trails Branch**

3455 McKelvey Rd.

Bridgeton, MO 63044

- Nov. 18th at 6:00pm

**St. Louis County Library**

**Rock Road Branch**

10267 Saint Charles Rock Rd.

Saint Ann, MO 63074

- Nov. 14th at 6:00pm

**St. Louis County Library**

**Clark Family Branch**

1640 South Lindbergh Blvd.

St. Louis, MO 63131

- Nov. 19th at 6:00pm



Seating is Limited Register Here:  
[usamedicare101.org/ad/!](https://usamedicare101.org/ad/)

Thanks for reading!  
Please contact me with  
any questions about  
Medicare or your  
retirement planning.

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