



THE RETIREMENT REPORT

Monthly Medicare & Retirement Planning Newsletter



Falling Into AEP: Get Ready for Medicare Enrollment This October

By Anne de Leon



Have you compared your options for the Medicare Annual Enrollment Period (AEP) yet? Now is the time to review your current coverage and explore your choices for 2025. In this month's newsletter, we'll walk you through everything you need to know about AEP, which begins on the 15th, to help you select the plan that fits your needs and budget.

We're also covering some important changes coming to Medicare in 2025, which could impact your future healthcare coverage. Additionally, you'll learn about the Social Security COLA 2025 benefit increase and how it may affect your finances next year.

We hope you enjoy the October edition, and as always, feel free to reach out if you have any questions or need assistance.

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7 Big Medicare Changes Coming in 2025

Thanks to the Inflation Reduction Act of 2022, Medicare is undergoing some significant changes, especially when it comes to prescription drug costs. These updates will bring welcome relief to beneficiaries, particularly those struggling with high medication expenses.

Let's break down seven key changes you'll see in Medicare in 2025.

1. \$2,000 Cap on Out-of-Pocket Prescription Costs

Starting in 2025, Medicare Part D will introduce a \$2,000 annual cap on out-of-pocket spending for prescription medications. This applies to both stand-alone Part D policies and drug coverage within Medicare Advantage plans.



Beneficiaries won't have to worry about paying beyond that \$2,000 cap for the first time in Medicare history. The cap includes deductibles, copayments, and coinsurance for covered drugs but doesn't apply to premiums or medications not covered by your plan. With such a big change, shopping around during open enrollment this year is crucial to ensure your plan fits your health and financial needs. Plans may adjust their coverage to align with the new rules, so reviewing your options is more important than ever.

2. No More Part D "Donut Hole"

The confusing and often costly "donut hole" in Part D plans will disappear in 2025. Previously, once you and your plan spent a certain amount on medications, you entered a gap where coverage decreased, and you paid more out of pocket.

In 2025, after meeting your deductible (up to \$590), you'll pay copayments for medications until you hit the \$2,000 cap. After that, you won't have to pay anything for covered prescriptions for the rest of the year. This change will benefit millions, especially those with high drug costs.

If you struggle with large upfront costs at the start of the year, you'll be able to opt into the Medicare Prescription Payment Plan, which allows you to spread your out-of-pocket drug costs over monthly payments.

3. Expanded Access to Weight Loss Drugs

While Medicare doesn't cover drugs prescribed specifically for weight loss, it can cover medications like Ozempic and Mounjaro when they're prescribed for other conditions, such as diabetes. The FDA recently approved Wegovy for people with cardiovascular disease, but most Part D plans haven't yet added it to their approved drug lists.

In 2025, you may see more weight loss drugs in Medicare plans, especially as the FDA approves more uses for these medications. Beneficiaries who use these drugs will also benefit from the \$2,000 out-of-pocket spending cap, helping manage high costs.

7 Big Medicare Changes Coming in 2025 cont'd...

4. Changes in Medicare Advantage Coverage

The new \$2,000 out-of-pocket spending cap will apply to the prescription drug portion of Medicare Advantage plans. While many Medicare Advantage plans may not significantly change premiums, they might adjust their formularies (the list of covered drugs) or reduce some extra benefits, like dental or vision coverage. Be sure to review any changes to your plan during open enrollment.

5. Midyear Statements from Medicare Advantage Plans

Starting in 2025, Medicare Advantage beneficiaries will receive a midyear statement showing which benefits they haven't used yet. This could include dental, vision, hearing, or fitness benefits. The statement is designed to help you make the most of your plan's benefits.

In addition, you'll continue to see more transparent TV ads from Medicare Advantage plans. New rules prohibit ads from mentioning benefits that aren't available in your area or misleading viewers into thinking they are contacting a government employee.



6. Expanded Support for Family Caregivers

A program for dementia patients and their caregivers, called Guiding an Improved Dementia Experience (GUIDE), will expand significantly in 2025. This program provides a 24/7 support line, caregiver training, and up to \$2,500 per year for respite care.

The GUIDE program helps ensure that caregivers receive the support they need, recognizing the essential role they play in the lives of dementia patients. It's a lifeline for families, offering both practical assistance and peace of mind.

7. More Mental Health Providers in Medicare

Access to mental health care has been a growing concern, and in 2025, Medicare will continue expanding the number of providers eligible to enroll as Medicare providers. This includes licensed marriage and family therapists, mental health counselors, and addiction counselors.

Although these professionals have started enrolling, it's not automatic—some paperwork is required. Be sure to check with any mental health provider you visit to ensure they accept Medicare. The good news is that telehealth services for mental health will continue to be available permanently, making it easier for beneficiaries, especially in rural areas, to access care.

Looking Ahead to 2025

With these upcoming changes, Medicare beneficiaries have a lot to look forward to in 2025. From the \$2,000 cap on out-of-pocket prescription drug costs to expanded support for caregivers and mental health services, these updates aim to provide better, more affordable care. As always, it's important to stay informed and review your plan during open enrollment to ensure you're getting the best coverage for your needs. If you have questions or need assistance, don't hesitate to reach out for help.

Social Security COLA 2025: What You Need to Know About Next Year's Benefit Increase

With inflation cooling off, analysts are predicting a more modest increase in Social Security benefits for 2025. The Social Security Administration (SSA) uses the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) to determine the annual cost-of-living adjustment (COLA), and the first number is in—suggesting an increase of just under 3% for next year.

In July 2024, the CPI-W rose by 2.9% compared to the previous year. This number, along with figures from August and September, will be used to finalize the COLA for 2025, which will be announced this month. Analysts estimate the COLA for 2025 could range from 2.6% to 2.9%, depending on inflation data from the upcoming months.

What Does This Mean for Social Security Recipients?

If the COLA matches the 2.9% figure from July, it would increase the average Social Security retirement benefit by about \$54 per month, starting in January 2025. Survivor benefits would increase by \$44 per month, and Social Security Disability Insurance (SSDI) payments would go up by \$45.

This is a smaller increase compared to the 2024 COLA, which boosted payments by 3.2%. The annual COLA has been decreasing as inflation cools, following a significant spike in 2023, when the COLA rose by 8.7% due to high inflation rates. That 2023 increase was the largest since 1981, and many beneficiaries are still feeling the effects of higher prices.

How Is the COLA Calculated?

The COLA is calculated by comparing the CPI-W from the third quarter (July, August, and September) of the current year to the same period the year before. In 2023, the CPI-W rose 2.6% in July, 3.4% in August, and 3.6% in September. These numbers resulted in the 3.2% COLA for 2024.

Although a potential 3% COLA for 2025 may seem small, it's more in line with pre-pandemic years when inflation was relatively flat. Between 2001 and 2020, the average COLA was about 2.2%. In rare cases, like in 2009, 2010, and 2015, when there was no inflation, there was no COLA increase at all.

Does the COLA Keep Up with Inflation?

Social Security benefits may lag behind inflation during periods of high price volatility, but over time, the COLA generally helps beneficiaries keep pace with the cost of living. For instance, in 2021 and 2022, the COLA lagged behind inflation, but as prices stabilized, beneficiaries caught up with the larger increases in 2023 and 2024.

David Certner, AARP's legislative policy director, emphasizes the importance of the COLA, saying, "Social Security is generally the only inflation-protected source of income for seniors in retirement. AARP has fought for years to protect the COLA, which helps seniors keep up with rising prices throughout their retirement years."

Current Annuity Rates October 2024

5.35%

3 Year Fixed Annuity

5.60%

5 Year Fixed Annuity

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

Social Security COLA 2025 cont'd...

How Medicare Costs Can Impact Your Social Security COLA

As we approach 2025, it's important to understand how Medicare costs, particularly Medicare Part B premiums, can affect the value of your Social Security cost-of-living adjustment (COLA). While the COLA is designed to help offset inflation, rising Medicare premiums could reduce its impact for many beneficiaries.

In their 2024 annual report, Medicare's trustees projected that the standard Part B premium, which most enrollees pay, is expected to rise from \$174.70 per month to \$185 in 2025. This increase would effectively lessen the COLA by about \$10.30 per month for Social Security recipients who have their premiums deducted directly from their benefits, as most Medicare enrollees do. It's worth noting that this estimate is preliminary, and the final premium figure will be announced in the fall.



The Bigger Picture

While COLA adjustments are important for helping seniors keep up with inflation, there are larger issues to consider regarding the long-term sustainability of Social Security. According to the Social Security trustees' 2024 annual report, without congressional action to address the program's funding shortfall, benefits could be reduced by 17% by 2035.

Emerson Sprick, associate director of economic policy at the Bipartisan Policy Center, emphasizes that while COLAs are crucial, the bigger concern for older Americans should be the financial health of the Social Security program itself. "We sometimes place too much emphasis on COLAs," he explains. "They are certainly important, but the bigger threat to older Americans' financial well-being is the program's projected financial shortfall."

As we look toward 2025, it's important to stay informed about both the upcoming COLA and potential changes in Medicare costs, and to remain aware of broader challenges facing Social Security.



QUOTE OF THE MONTH

“A happy life is one spent in learning, earning, and yearning.”

LILLIAN GISH

FALL word search

- CORN
- AUTUMN
- BONFIRE
- BOOTS
- OCTOBER
- RAKE
- THANKSGIVING
- HARVEST
- LEAVES
- CARNIVAL
- APPLES
- APPLE CIDER
- PUMPKIN
- FOOTBALL
- SWEATER
- NOVEMBER
- SEPTEMBER
- SUNFLOWER



Upcoming MO Medicare 101 Workshops

St. Louis County Library
Grant's View Branch
 9700 Musick Rd.
 St. Louis, MO 63123
 • Oct. 15th at 6:00pm

St. Louis County Library
Bridgeton Trails Branch
 3455 McKelvey Rd.
 Bridgeton, Missouri 63044
 • Oct. 19th at 10:00am

St. Louis County Library
Oak Bend Branch
 842 South Holmes Ave.
 St. Louis, Missouri 63122
 • Oct. 17th at 3:30pm

St. Louis County Library
Daniel Boone Branch
 300 Clarkson Rd.
 Ballwin, Missouri 63011
 • Oct. 21st at 6:00pm



Seating is Limited Register Here:
usamedicare101.org/ad/

Have You Compared Your Medicare Options Yet?

Medicare Open Enrollment is here, and now is the perfect time to review your current plan and explore other options for 2025. Whether you're looking for better coverage, lower costs, or both, now's the time to make changes.

Why It's Important to Compare Your Options for Next Year

Just like your health needs can change, so can Medicare plans. Your current plan might have changes in coverage, benefits, or out-of-pocket costs next year. By comparing all your available options, you could discover a plan that better suits your health needs and budget. Taking a few minutes to review your current plan and look at what's available could save you money or give you access to better benefits.

How to Easily Compare Plans

Medicare.gov offers a straightforward way to compare plans side by side, allowing you to evaluate coverage details, costs, and quality ratings to clearly understand the differences between options. Alternatively, you can reach out to me, and I will work diligently to identify the Medicare plan that best aligns with your needs. If a new plan proves to be a better fit for 2025, I will guide you through the enrollment process. Should your current plan remain the most suitable, no additional action will be required.

Remember, the Open Enrollment period ends December 7, so act now to make sure you're ready for 2025.



Need Help with Medicare Open Enrollment? Let's Talk!

If you prefer to discuss your options in person, I'm here to help! Open Enrollment can be confusing, but you don't have to navigate it alone. Whether you have questions about your current plan or need guidance on choosing new coverage for 2025, I'm just a phone call away.

Feel free to reach out at 314-287-0179, and we can review your options together to make sure you get the best plan for your needs and budget.

 <p>OCT</p> <p>Annual Enrollment Period BEGINS</p> <p>This is the first day you can enroll for 2025 coverage.</p>	 <p>DEC</p> <p>Annual Enrollment Period ENDS</p> <p>This is the last day you can enroll for 2025 coverage.</p>	 <p>JAN</p> <p>First date coverage can START</p> <p>New Medicare plan goes into effect.</p>
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Stuffed Acorn Squash Fall Recipe

This stuffed roasted squash recipe is the ultimate fall comfort dish! It's warm, cheesy, and feels like a hug on a plate—perfect for anyone looking to embrace the season's best flavors.



Directions:

Prepare the Squash:

- Preheat oven to 400°F.
- Cut squash in half, remove seeds, brush with olive oil, and season with salt and pepper.
- Roast cut-side up for 30 minutes, flip, and roast cut-side down for another 15 minutes until tender. Lower the oven to 350°F.

Prepare the Filling:

- While squash roasts, heat 1 tbsp olive oil in a skillet over medium-high heat. Cook sage for 30 seconds.
- Add sausage, cook until browned (about 10 minutes). Remove sausage mixture from skillet.
- In the same skillet, add 1 tbsp oil, mushrooms, onion, garlic, thyme, salt, and pepper. Cook for 7 minutes.
- Stir in cooked rice, cream, and ½ cup fontina cheese. Add sausage mixture back and simmer briefly.

Assemble and Bake:

- Fill the roasted squash halves with the mixture, top with remaining ½ cup fontina.
- Bake at 350°F for 12-15 minutes until cheese is melted and warm throughout.
- Garnish with fresh thyme and black pepper.

Ingredients:

Acorn Squash:

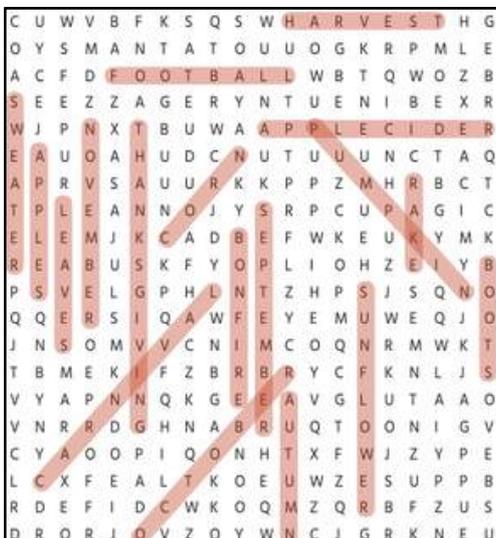
- 3 medium acorn squash
- 2 Tbsp. olive oil
- Salt and pepper

Filling:

- 2 Tbsp. olive oil
- 8 sage leaves, chopped
- 1 lb. ground Italian sausage
- 8 oz. baby bella mushrooms, sliced
- 1/2 red onion, chopped
- 2 cloves garlic, finely chopped
- 1 Tbsp. fresh thyme
- 1/2 tsp. salt
- 1/2 tsp. ground black pepper
- 1 1/2 c. cooked rice
- 1/3 c. heavy cream
- 1 c. grated fontina or monterey jack cheese

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

WORD SEARCH ANSWER KEY



Anne de Leon



314-287-0179

Annedeleon2@gmail.com



de Leon
RETIREMENT SERVICES, LLC