

AEP 2025: PREPARE FOR IMPORTANT CHANGES

This year's AEP brings important changes to the Medicare landscape. Use this guide to understand the changes so you can shift your strategy to help reduce client disruptions.

Inflation Reduction Act (IRA) and Medicare

The IRA, passed in 2022, was designed to benefit several populations — including Medicare recipients. 2025 brings significant changes for Medicare plans with prescription drug coverage.

Three key changes to note:

1

“Donut hole” coverage gap phase eliminated, annual max cap of \$2,000 on out-of-pocket costs

- Member payments for out-of-pocket prescription drug costs can be spread out over a year

2

Part D redesign changes government reinsurance structure

- Part D plans will pay less during the initial coverage phase: 65% instead of 75%
- Part D plans will pay more during catastrophic phase: 60% instead of 20%

3

The Manufacturer Discount Program will change costs and liability for drug manufacturers

- Drug manufacturers are now required to discount brand-name drugs 10% during initial coverage and 20% during catastrophic coverage phase

Source: <https://www.medicare.gov/about-us/prescription-drug-law> “Saving money with the prescription drug law”

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PREPARE FOR IMPORTANT CHANGES (cont.)

Inflation Reduction Act (IRA) and Medicare

The IRA's changes have already started affecting carriers, which will then affect plans and consumers. Some possible carrier changes have:

- Higher variance in how many plans change and how much they change
- Carriers cutting back plans or benefits to manage operating costs
 - Copays may increase on brand drug tiers
 - Some plans may add a Part D deductible
 - Benefit reductions may come from supplementals like fitness benefits or give-backs
- Carriers leaving poor-performing market areas completely

How to Prepare

Preparing for AEP means scaling your business capacity.

Here are a few ideas to get you started:

- Maximizing administrative staff who can:
 - Run retention campaigns — contacting clients to do prework and updates
 - Recover “lost leads” or work with current leads to obtain Permission to Contact
- Hiring downline or licensed-only agents (LOAs) who can:
 - Run client appointments and write business on behalf of your agency
 - Help prospective and current clients shop and enroll
- Using a combination of virtual and face-to-face meetings
 - Increases your capacity while allowing clients to choose their preferred format

LeClair offers tools and resources to help you better manage and serve your clients compliantly for a smoother AEP. Check out our LeClair AEP landing page for a comprehensive strategy you can use heading into any AEP season.