

FOR IMMEDIATE RELEASE

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2012 Medicare Advantage premiums fall and projected enrollment rises
Open enrollment is earlier this year – October 15 through December 7

On average, Medicare Advantage premiums will be 4 percent lower in 2012 than in 2011, and plans project enrollment to increase by 10 percent, the Department for Health and Human Services (HHS) announced today. Of people with Medicare, 99.7 percent continue to enjoy access to a Medicare Advantage plan, and benefits remain consistent with those offered in 2011. This follows an earlier announcement that average prescription drug plan premiums will remain virtually unchanged in 2012.

“Thanks to the Affordable Care Act, Medicare is stronger than ever,” said Health and Human Services Secretary Kathleen Sebelius. “On average, Medicare Advantage premiums will go down next year and seniors will enjoy more free benefits and cheaper prescription drugs.”

CMS was able to use authority provided by the Affordable Care Act to protect beneficiaries from significant increases in costs or cuts in benefits in 2012, leading to average premium declines for the second year in a row: 2012 premiums are projected to be 11.5 percent below 2010 premiums.

In 2012, all beneficiaries will have access to Medicare-covered preventive services without paying a co-pay or deductible, including an Annual Wellness Visit with their physicians. Those who reach the donut hole will enjoy deep discounts on brand name drugs and expanded coverage for generic drugs under provisions of the Affordable Care Act.

This year marks an important change in Medicare’s annual open enrollment, the time period during which people can choose to change plans or shift from Medicare Advantage to Traditional Medicare. Open Enrollment starts earlier – on October 15, 2011 – and lasts longer (7 full weeks) to give beneficiaries enough time to review and make changes to their coverage. As a result, however, beneficiaries will need to make their elections for next year’s Medicare coverage by December 7, 2011 rather than the usual December 31. The new open enrollment period will better ensure that individuals have their membership cards in hand and receive uninterrupted health care coverage on January 1, 2012.

“Medicare open enrollment is coming early this year, and as people with Medicare make their health and prescription drug coverage choices, they will see that we’ve strengthened consumer protections and improved plan choices,” said CMS Administrator Donald Berwick, M.D. “Due to the Affordable Care Act, Medicare Advantage and prescription drug benefits are stronger than ever, and beneficiaries will continue to have access to a range of affordable products.”

CMS is encouraging beneficiaries enrolled in Medicare Advantage and Medicare Prescription Drug plans to review their current health and drug plan coverage for any changes their plans may be making for 2012 before the annual open enrollment period begins on October 15. Beneficiaries should receive their

2012 *Medicare & You* handbook as well as a notice from their current plan that describes any changes from 2011 to 2012 by late September.

For the first time, in 2012 CMS will provide financial rewards to those Medicare Advantage plans with high quality scores, under its Five-Star rating methodology. CMS is also allowing Five-Star Medicare Advantage and Part D plans to continuously market and enroll beneficiaries throughout the year, as an extra incentive for high quality performance.

“Plans that do a better job serving the needs of their Medicare members should be rewarded and all plans should be encouraged to improve their performance,” said Jonathan Blum, CMS deputy administrator and director of the Center for Medicare.

Over the next several months, CMS will work with beneficiary advocates, State Health Insurance Assistance Programs and beneficiaries to ensure that people are well equipped to make decisions about health coverage that will best meet their needs in 2012. Only one percent of Medicare beneficiaries are enrolled in plans that will not be available next year, and those enrollees will receive a notice of non-renewal from their plan in the next few weeks. Beneficiaries currently enrolled in a Medicare Advantage plan will revert to Original Medicare if they do not choose a plan on their own; however everyone will need to enroll in a Part D plan to keep their drug coverage. Beneficiaries eligible for the Part D low-income subsidy will be enrolled in a zero-premium drug plan by CMS and will have the option to select a different Medicare plan throughout the year.

Starting October 1, 2011 users of the Medicare Plan Finder, available at www.Medicare.gov, will be able to compare plans’ quality summary rating from the previous year, identify which drugs may or may not be on a plan’s formulary or be restricted, and compare the cost ranges for plans available in their community. Information on 2012 plans will be available online starting October 1, and on October 12 will include the plans’ Five-Star quality rating. To make it easier for beneficiaries to choose high quality plans, users will find an icon that shows those plans that had a low overall quality rating the past three years and, new in 2012, will also see a gold star icon for those plans that have a five-star rating for 2012.

Each year plans change what they cost and what they cover. To find helpful Medicare tools and information, and compare the cost or benefits of 2012 Medicare health plans in your area, please visit: <http://www.cms.gov/center/openenrollment.asp>

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