

2020 Medicare Parts A & B Premiums and Deductibles

On November 8, 2019, the Centers for Medicare & Medicaid Services (CMS) released the 2020 premiums, deductibles, and coinsurance amounts for the Medicare Part A and Part B programs.

Medicare Part B Premiums/Deductibles

Medicare Part B covers physician services, outpatient hospital services, certain home health services, durable medical equipment, and certain other medical and health services not covered by Medicare Part A.

Each year the Medicare premiums, deductibles, and copayment rates are adjusted according to the Social Security Act. For 2020, the Medicare Part B monthly premiums and the annual deductible are higher than the 2019 amounts. The standard monthly premium for Medicare Part B enrollees will be \$144.60 for 2020, an increase of \$9.10 from \$135.50 in 2019. The annual deductible for all Medicare Part B beneficiaries is \$198 in 2020, an increase of \$13 from the annual deductible of \$185 in 2019.

The increase in the Part B premiums and deductible is largely due to rising spending on physician-administered drugs. These higher costs have a ripple effect and result in higher Part B premiums and deductible.

From day one, President Trump has made it a top priority to lower drug prices. Currently, for Part B, the law requires CMS to pay the average sales price for a drug and also pays physicians a percentage of a drug's sale price. This incentivizes drug companies to set prices higher and for

physicians to prescribe more expensive drugs – because that leads to a higher Medicare payment. Through the President’s drug pricing blueprint, the Trump Administration is working to lower drug prices in Medicare Part B drugs.

CMS is committed to empowering beneficiaries with the information they need to make informed decisions about their Medicare coverage options, including providing new tools to help them make those decisions through the eMedicare initiative. In addition to the recently released premiums and cost sharing information for 2020 Medicare Advantage and Part D plans, we are releasing the premiums and cost sharing information for Fee-for-Service Medicare, so beneficiaries understand their options for receiving Medicare benefits. As previously [announced](#), as a result of CMS actions to drive competition, on average for 2020, Medicare Advantage premiums are expected to decline by 23 percent from 2018, and will be the lowest in the last thirteen years while plan choices, benefits and enrollment continue to increase. Premiums and deductibles for Medicare Advantage and Medicare Part D Prescription Drug plans are already finalized and are unaffected by this announcement.

Medicare Part B Income-Related Monthly Adjustment Amounts

Since 2007, a beneficiary’s Part B monthly premium is based on his or her income. These income-related monthly adjustment amounts (IRMAA) affect roughly 7 percent of people with Medicare Part B. The 2020 Part B total premiums for high income beneficiaries are shown in the following table:

Beneficiaries who file individual tax returns with income:	Beneficiaries who file joint tax returns with income:	Income-related monthly adjustment amount	Total monthly premium amount
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Less than or equal to \$87,000	Less than or equal to \$174,000	\$0.00	\$144.60
Greater than \$87,000 and less than or equal to \$109,000	Greater than \$174,000 and less than or equal to \$218,000	57.80	202.40
Greater than \$109,000 and less than or equal to \$136,000	Greater than \$218,000 and less than or equal to \$272,000	144.60	289.20
Greater than \$136,000 and less than or equal to \$163,000	Greater than \$272,000 and less than or equal to \$326,000	231.40	376.00
Greater than \$163,000 and less than \$500,000	Greater than \$326,000 and less than \$750,000	318.10	462.70
Greater than or equal to \$500,000	Greater than or equal to \$750,000	347.00	491.60

Premiums for high-income beneficiaries who are married and lived with their spouse at any time during the taxable year, but file a separate return, are as follows:

Beneficiaries who are married and lived with their spouses at any time during the year, but who file separate tax returns from their spouses:	Income-related monthly adjustment amount	Total monthly premium amount
Less than or equal to \$87,000	\$0.00	\$144.60
Greater than \$87,000 and less than \$413,000	318.10	462.70

Greater than or equal to \$413,000	347.00	491.60
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Medicare Part A Premiums/Deductibles

Medicare Part A covers inpatient hospital, skilled nursing facility, and some home health care services. About 99 percent of Medicare beneficiaries do not have a Part A premium since they have at least 40 quarters of Medicare-covered employment.

The Medicare Part A inpatient hospital deductible that beneficiaries will pay when admitted to the hospital will be \$1,408 in 2020, an increase of \$44 from \$1,364 in 2019. The Part A inpatient hospital deductible covers beneficiaries' share of costs for the first 60 days of Medicare-covered inpatient hospital care in a benefit period. In 2020, beneficiaries must pay a coinsurance amount of \$352 per day for the 61st through 90th day of a hospitalization (\$341 in 2019) in a benefit period and \$704 per day for lifetime reserve days (\$682 in 2019). For beneficiaries in skilled nursing facilities, the daily coinsurance for days 21 through 100 of extended care services in a benefit period will be \$176.00 in 2020 (\$170.50 in 2019).

Part A Deductible and Coinsurance Amounts for Calendar Years 2019 and 2020 by Type of Cost Sharing		
	2019	2020
Inpatient hospital deductible	\$1,364	\$1,408
Daily coinsurance for 61 st -90 th Day	\$341	\$352
Daily coinsurance for lifetime reserve days	\$682	\$704
Skilled Nursing Facility coinsurance	\$170.50	\$176

Enrollees age 65 and over who have fewer than 40 quarters of coverage and certain persons with disabilities pay a monthly

premium in order to voluntarily enroll in Medicare Part A. Individuals who had at least 30 quarters of coverage or were married to someone with at least 30 quarters of coverage may buy into Part A at a reduced monthly premium rate, which will be \$252 in 2020, a \$12 increase from 2019. Certain uninsured aged individuals who have less than 30 quarters of coverage and certain individuals with disabilities who have exhausted other entitlement will pay the full premium, which will be \$458 a month in 2020, a \$21 increase from 2019.

For more information on the 2020 Medicare Parts A and B premiums and deductibles (CMS-8071-N, CMS-8072-N, CMS-8073-N), please visit:

CMS - 8071 - N :

<https://www.federalregister.gov/documents/2019/11/13/2019-24441/medicare-program-cy-2020-inpatient-hospital-deductible-and-hospital-and-extended-care-services>

CMS - 8072 - N :

<https://www.federalregister.gov/documents/2019/11/13/2019-24439/medicare-program-cy-2020-part-a-premiums-for-the-uninsured-aged-and-for-certain-disabled-individuals>

CMS - 8073 - N :

<https://www.federalregister.gov/documents/2019/11/13/2019-24440/medicare-program-medicare-part-b-monthly-actuarial-rates-premium-rates-and-annual-deductible>

Anna Moorman Recognized for Medicare Sales Production



Anna
Moorman

Anna Moorman of Allen Insurance and Financial has been recognized as a top Medicare producer in Maine. Moorman is one of two agents at the company who specialize in the complex market of Medicare insurance, working with a number of insurance carriers to give customers a range of choices to suit their needs.

Moorman and her colleague Jo-Ann Neal are based in the company's Chestnut Street offices in Camden.

"Medicare is very complex and both Anna and Jo-Ann enjoy helping clients navigate the Medicare maze by simplifying the process," said Michael Pierce, company president. "At Allen Insurance and Financial, our goal is to provide dedicated, one-on-one attention to our Medicare customers, assessing each person's needs and finding options that will align with their budget and healthcare goals."

At a recent luncheon in Bangor, Anthem recognized Moorman for her work in the Medicare market, where she received an award for being the second highest performing broker for Anthem Medicare Supplement sales in 2017 for the State of Maine. She also received a second award for overall production of Anthem Medicare policies written in 2017, coming in fourth in a field of more than 200 brokers.

Meet Our Medicare Team at the MidCoast Senior Expo

Join Jo-Ann Neal and Anna Moorman at the MidCoast Senior Expo, Friday, May 18 from 9 a.m. to 2 p.m. at the Elk's Lodge, 210 Rankin Street in Rockland.

Jo-Ann and Anna will be ready to answer questions about Medicare. The event is expected to draw 32 exhibitors and is sponsored by Maine Senior Guide.

Our Latest Medicare Newsletter – Open Enrollment Starts 10/15

Plan information for 2018 will become available Oct. 1. By that time you should have received an Annual Notice of Change (ANOC) from your insurer explaining how your plan will be changing for 2018. If you have questions about your coverage or need to make a change, open enrollment is a great opportunity to do this.

Open enrollment starts Oct. 15 and ends Dec. 7. Plan changes take effect Jan. 1.

[Here's a link to our newsletter.](#)

Individual Health Newsletter | June 2017

Read our June 2017 Individual Health Newsletter (PDF, new window).

[Click here](#).

Medicare Newsletter | June 2017

Read our June 2017 Medicare E-Newsletter (PDF, new window) .

[Click here](#).

A New Medicare Charge is Coming: Here's How to Lessen the Blow

For high-income Americans covered by Medicare, now is the time to make tax moves to minimize an increase in premium surcharges. Starting in 2018, households with income more than \$85,000 (singles) or \$170,000 (couples), will be picking up an even greater share of the costs. For example, a single person with an

income between \$133,500 and \$160,000 is expected to pay 30% more in 2018 for their Medicare Part B premium- an increase from \$2,856 to \$3,720 per year.

Here are some ways to reduce your exposure:

- Revamp charitable contributions: Consider donating appreciated assets, such as stock instead of cash. This often helps avoid capital-gains tax.
- Look to a Roth IRA: Payouts from a Roth IRA often aren't taxable, so they don't raise your Adjusted Gross Income (AGI).
- Manage capital gains and losses: Capital gains raise Adjusted Gross Income (AGI), but capital losses can offset gains plus \$3,000 of other income in a year.
- Time the receipt of income: Time the sale of an asset or payment to be split over two years, to keep your Adjusted Gross Income (AGI) lower.
- Look to work-related savings: Medicare recipients who are still employed can lower than Adjusted Gross Income (AGI) by contributing to 401(k) plans or traditional IRAs.

If you have questions about this, consider contacting your financial planner. Commonwealth Financial Network® (or your firm) does not provide legal or tax advice. You should consult a legal or tax professional regarding your individual situation.

Allen Financial: 31 Chestnut St., Camden, ME 04843 Phone: 207-236-8376.

Fixed Insurance products and services offered through Allen Insurance and Financial, L.S. Robinson Co. or CES Insurance Agency.

Medicare Matters: Open Enrollment Starts 10/15

When it comes to Medicare, one size doesn't fit all. While everyone has the same benefits available to them through Original Medicare, Medicare Advantage and prescription drug plan benefits vary by county and are subject to change from one year to the next.

If your health needs have changed in the last year, it's important that we review your coverage. At Allen Insurance and Financial, our goal is to help you find the best plan that fits your needs and supports the way you live.

Oct. 15 to Dec. 7 is the open enrollment period for Medicare coverage in 2017. Plan changes take effect Jan. 1, 2017.

Plan information for 2017 will become available Oct. 1. By that time you should have received your Annual Notice of Change (ANOC) from your insurer to explain how your plan will be changing for 2017. If you have questions about your coverage or need to make a change, open enrollment is a great opportunity to do this.

Please feel free to call us with your questions at 855-710-5700.

[Read our September 2016 Medicare newsletter. \(PDF, new window\)](#)

Jo-Ann Neal Now Licensed for Medicare

Jo-Ann Neal of Allen Insurance and Financial has obtained her license to present Medicare insurance options to Allen clients.



Jo-Ann Neal

“Medicare coverage and insurance policies that help fill the gaps of Medicare can be complex and confusing,” said Dan Wyman, manager of Allen’s insured benefits division. “Jo-Ann and Anna Moorman of our office can help our clients pick the best plans as they approach Medicare eligibility.”

Jo-Ann works with both individuals and groups on their insurance benefits policies, including health, dental, life, and disability. She joined the company in 2013, earning her license to sell health and life insurance in Maine through Allen’s in-house education program.

Medicare Open Enrollment: The Ideal Time to Shop for New Coverage

Medicare open enrollment this year starts Oct. 15 and ends Dec. 7. Even if you’re happy with your current plan, open enrollment is the ideal time to make sure the plan you’re enrolled in is really the right plan for your needs.

Insurance plans unveil new pricing and benefits during open enrollment; it’s best not to assume that drug coverage and other co-payments will remain the same during the new plan year.

Medicare beneficiaries have the right to change their health and drug coverage without restriction during open enrollment.

[Anna Moorman](#), Allen Insurance and Financial’s Medicare Specialist, is based at our office at 31 Chestnut Street in

Camden. She can be reached at 236-4311.