

## 2021 Medicare Parts A & B Premiums and Deductibles

On November 6, 2020, the Centers for Medicare & Medicaid Services (CMS) released the 2021 premiums, deductibles and coinsurance amounts for the Medicare Part A and Part B programs.

### Medicare Part B Premiums and 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 2021, the Medicare Part B monthly premiums and the annual deductible are higher than the 2020 amounts. The standard monthly premium for Medicare Part B enrollees will be \$148.50 for 2021, an increase of \$3.90 from \$144.60 in 2020. The annual deductible for all Medicare Part B beneficiaries is \$203 in 2021, an increase of \$5 from the annual deductible of \$198 in 2020.

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

### 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 2021 Part B total premiums for high income beneficiaries are shown in the following table:

<b>Beneficiaries who file individual tax returns with income:</b>	<b>Beneficiaries who file joint tax returns with income:</b>	<b>Income-related monthly adjustment amount</b>	<b>Total monthly premium amount</b>
Less than or equal to \$88,000	Less than or equal to \$176,000	\$0.00	\$148.50
Greater than \$88,000 and less than or equal to \$111,000	Greater than \$176,000 and less than or equal to \$222,000	\$59.40	\$207.90
Greater than \$111,000 and less than or equal to \$138,000	Greater than \$222,000 and less than or equal to \$276,000	\$148.50	\$297.00
Greater than \$138,000 and less than or equal to \$165,000	Greater than \$276,000 and less than or equal to \$330,000	\$237.60	\$386.10
Greater than \$165,000 and less than \$500,000	Greater than \$330,000 and less than \$750,000	\$326.70	\$475.20
Greater than or equal to \$500,000	Greater than or equal to \$750,000	\$356.40	\$504.90

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:

<b>Beneficiaries who are married and lived with their spouses at any time during the year, but who file separate tax returns from their spouses:</b>	<b>Income-related monthly adjustment amount</b>	<b>Total monthly premium amount</b>
Less than or equal to \$88,000	\$0.00	\$148.50
Greater than \$88,000 and less than \$412,000	\$326.70	\$475.20
Greater than or equal to \$412,000	\$356.40	\$504.90

### **Medicare Part A Premiums and 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 \$1,484 in 2021, an increase of \$76 from \$1,408 in 2020. The Part A inpatient hospital deductible covers beneficiaries share of costs for the first 60 days of Medicare-covered inpatient hospital stay. 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 hospital care in a benefit period 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 \$259 in 2021, a \$7 increase from 2020. 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 \$471 a month in 2021, a \$13 increase from 2020.

In 2021, beneficiaries must pay a coinsurance amount of \$371 per day for the 61<sup>st</sup> through 90<sup>th</sup> day of a hospitalization (\$352 in 2020) in a benefit period and \$742 per day for lifetime reserve days (\$704 in 2020). For beneficiaries in skilled nursing facilities, the daily coinsurance for days 21 through 100 of extended care services in a benefit period will be \$185.50 in 2021 (\$176 in 2020).

<b>Part A Deductible and Coinsurance Amounts for Calendar Years 2020 and 2021 by Type of Cost Sharing</b>	<b>2020</b>	<b>2021</b>
Inpatient hospital deductible	\$1,408	\$1,484
Daily coinsurance for 61 <sup>st</sup> -90 <sup>th</sup> Day	\$352	\$371
Daily coinsurance for lifetime reserve days	\$704	\$742
Skilled Nursing Facility coinsurance	\$176	\$185.50

### **Medicare Advantage Plans (Part C) and Medicare Prescription Drug Plans (Part D) Premiums**

Visit [Medicare.gov/find-a-plan](https://www.medicare.gov/find-a-plan) to get plan premiums. You can also call 1-800-MEDICARE (1-800-633-4227), 24 hours a day, 7 days a week. TTY users can call 1-877-486-2048. You can also call the plan or your State Health Insurance Assistance Program (SHIP). To get the most up-to-date SHIP phone numbers, visit [shiptacenter.org](https://shiptacenter.org) or call 1-800-MEDICARE.

For more information on the 2021 Medicare Parts A and B premiums and deductibles (CMS-8074-N, CMS-8075-N, CMS-8076-N), please visit:

CMS-8074-N: <https://www.federalregister.gov/documents/2020/11/12/2020-25024/medicare-program-cy-2021-inpatient-hospital-deductible-and-hospital-and-extended-care-services>

CMS-8075-N: <https://www.federalregister.gov/documents/2020/11/12/2020-25028/medicare-program-cy-2021-part-a-premiums-for-the-uninsured-aged-and-for-certain-disabled-individuals>

CMS-8076-N: <https://www.federalregister.gov/documents/2020/11/12/2020-25029/medicare-program-medicare-part-b-monthly-actuarial-rates-premium-rates-and-annual-deductible>

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