

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.

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 |
|---|--|---|-------------------------------------|
| 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 |

Although there were increases in various deductibles, for the most part, the deductibles do not affect State Health Benefit Plan retirees.

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>

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