

Issue Brief

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CMS Announces CY 2017 Parts A and B Premiums and Deductibles

The Centers for Medicare & Medicaid Services has released three notices including calendar year 2017 Medicare deductibles and premiums for Parts A and B.

The notices are posted in the November 10 *Federal Register* at:

CY 2017 Inpatient Hospital Deductible and Hospital and Extended Care Services Coinsurance Amounts

Filed on: 11/10/2016 at 4:15 p.m. Scheduled Pub. Date: 11/15/2016
[PDF](#) 12 Pages (172 KB)

CY 2017 Part A Premiums for the Uninsured Aged and for Certain Disabled Individuals Who Have Exhausted Other Entitlement

Filed on: 11/10/2016 at 4:15 p.m. Scheduled Pub. Date: 11/15/2016
[PDF](#) 9 Pages (149 KB)

Medicare Part B Monthly Actuarial Rates, Premium Rate, and Annual Deductible Beginning January 1, 2017

Filed on: 11/10/2016 at 4:15 p.m. Scheduled Pub. Date: 11/15/2016
[PDF](#) 30 Pages (243 KB)

MEDICARE PART B PREMIUMS/DEDUCTIBLES

“On October 18, 2016, the Social Security Administration announced that the cost-of-living adjustment for Social Security benefits will be 0.3 percent for 2017. Because of the low Social Security COLA, a statutory ‘hold harmless’ provision designed to protect seniors, will largely prevent Part B premiums from increasing for about 70 percent of beneficiaries. Among this group, the average 2017 premium will be about \$109.00, compared to \$104.90 for the past four years.

“For the remaining roughly 30 percent of beneficiaries, the standard monthly premium for Medicare Part B will be \$134.00 for 2017, a 10 percent increase from the 2016 premium of \$121.80. Because of the ‘hold harmless’ provision covering the other 70 percent of beneficiaries, premiums for the remaining 30 percent must cover most of the increase in Medicare costs for 2017 for all beneficiaries. This year, as in the past, the Secretary has exercised her statutory authority to mitigate projected premium increases for these beneficiaries, while continuing to maintain a prudent level

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continued

of reserves to protect against unexpected costs. The Department of Health & Human Services will work with Congress as it explores budget-neutral solutions to challenges created by the “hold harmless” provision.”

Medicare Part B beneficiaries not subject to the “hold harmless” provision include beneficiaries who do not receive Social Security benefits, those who enroll in Part B for the first time in 2017, those who are directly billed for their Part B premium, those who are dually eligible for Medicaid and have their premium paid by state Medicaid agencies, and those who pay an income-related premium.

Since 2007, beneficiaries with higher incomes have paid higher Medicare Part B monthly premiums. These income-related monthly premium rates affect roughly five percent of people with Medicare. The total Medicare Part B premiums for high income beneficiaries for 2017 are shown in the following table.

Beneficiaries who file an individual tax return with income:	Beneficiaries who file a joint tax return with income:	Income-related monthly adjustment amount	Total monthly premium amount
Less than or equal to \$85,000	Less than or equal to \$170,000	\$0.00	\$134.00
Greater than \$85,000 and less than or equal to \$107,000	Greater than \$170,000 and less than or equal to \$214,000	\$53.50	\$187.50
Greater than \$107,000 and less than or equal to \$160,000	Greater than \$214,000 and less than or equal to \$320,000	\$133.90	\$267.90
Greater than \$160,000 and less than or equal to \$214,000	Greater than \$320,000 and less than or equal to \$428,000	\$214.30	\$348.30
Greater than \$214,000	Greater than \$428,000	\$294.60	\$428.60

MEDICARE PART A PREMIUMS/DEDUCTIBLES

The Medicare Part A inpatient hospital deductible that beneficiaries pay when admitted to the hospital will be \$1,316 per benefit period in 2017, an increase of \$28 from \$1,288 in 2016. The Part A deductible covers beneficiaries’ share of costs for the first 60 days of Medicare-covered inpatient hospital care in a benefit period. Beneficiaries must pay a coinsurance amount of \$329 per day for the 61st through 90th day of hospitalization (\$322 in 2016) in a benefit period and \$658 per day for lifetime reserve days (\$644 in 2016). For beneficiaries in skilled nursing facilities, the daily coinsurance for days 21 through 100 of extended care services in a benefit period will be \$164.50 in 2017 (\$161 in 2016).

MEDICARE PART B DEDUCTIBLE

The Part B annual deductible for 2017 is \$183.00 for all beneficiaries.

*Analysis provided for MHA
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