

Issue Brief

FEDERAL ISSUE BRIEF



Analysis provided for MHA by Larry Goldberg, Goldberg Consulting

October 13, 2023

CMS Announces CY 2024 Medicare Parts A & B Premiums and Deductibles, and Part D Income Related Amounts

The Centers for Medicare & Medicaid (CMS) have released the Calendar Year (CY) 2024 premiums, deductibles, and coinsurance amounts for the Medicare Part A and Part B programs, and the 2024 Medicare Part D income-related monthly adjustment amounts.

The updates are presented in 3 notices as noted below. Also shown are the display versions site addresses. The notices are schedule to be published in the ***Federal Register*** on October 17.

1. CY 2024 Inpatient Hospital Deductible and Hospital and Extended Care Services Coinsurance Amounts;
Copy at: <https://public-inspection.federalregister.gov/2023-22850.pdf>;
2. CY 2024 Part A Premiums for the Uninsured Aged and for Certain Disabled Individuals Who Have Exhausted Other Entitlement;
Copy at: <https://public-inspection.federalregister.gov/2023-22848.pdf>; and,
3. Medicare Part B Monthly Actuarial Rates, Premium Rates, and Annual Deductible Beginning January 1, 2024;
Copy at: <https://public-inspection.federalregister.gov/2023-22823.pdf>.

Medicare Part A

For CY 2024, the inpatient hospital deductible will be **\$1,632.00**

The daily coinsurance amounts for CY 2024 will be as follows: \$408 for the 61st through 90th day of hospitalization in a benefit period; \$816 for lifetime reserve days; and \$204 for the 21st through 100th day of extended care services in a skilled nursing facility in a benefit period.

The deductible amount is determined by multiplying \$1,600 (the inpatient hospital deductible for CY 2023) by the payment-weighted average increase in the payment rates of 1.0313 multiplied by the decrease in real case-mix of 0.99, which equals \$1,633.58 and is rounded to \$1,632.00, the nearest multiple of 4.

Cost to Medicare Beneficiaries

The table below summarizes the deductible and coinsurance amounts for CYs 2023 and 2024, as well as the number of each that is estimated to be paid.

Medicare Part A Deductible and Coinsurance Amounts for CYs 2023 and 2024

Type of Cost Sharing	Value		Number Paid (In Millions)	
	2023	2024	2023	2024
Inpatient hospital deductible	\$1,600	\$1,632	5.15	5.05
Daily coinsurance for 61st – 90th day	\$400	\$408	1.29	1.26
Daily coinsurance for lifetime reserve days	\$800	\$816	0.64	0.63
SNF coinsurance	\$200	\$204	26.99	25.28

The estimated total decrease in costs to beneficiaries is about \$240 million (rounded to the nearest \$10 million) because of (1) the increase in the deductible and coinsurance amounts and (2) the decrease in the number of deductibles and daily coinsurance amounts paid.

Part B Deductible

The Part B deductible for 2024 is **\$240.00** for all Part B beneficiaries.

The standard premium, which will continue to be paid by beneficiaries whose modified adjusted gross income is below the applicable thresholds, still represents 25% of the estimated total cost to the program of Part B coverage for an aged enrollee.

If a beneficiary's modified adjusted gross income is greater than or equal to \$500,000 for a beneficiary filing an individual income tax return and \$750,000 for a beneficiary filing a joint tax return, the beneficiary is responsible for 85% of the estimated total cost of Part B coverage.

Full Part B Monthly Premium Rates

The following are the **2024 Part B monthly premium rates** to be paid by (or on behalf of) beneficiaries with full Part B coverage who file either individual tax returns (and are single individuals, heads of households, qualifying widows or widowers with dependent children, or married individuals filing separately who lived apart from their spouses for the entire taxable year) or joint tax returns.

Beneficiaries who file individual tax returns with modified adjusted gross income:	Beneficiaries who file joint tax returns with modified adjusted gross income:	Income-Related Monthly Adjustment Amount	Total Monthly Premium Amount
Less than or equal to \$103,000	Less than or equal to \$206,000	\$0.00	\$174.70
Greater than \$103,000 and less than or equal to \$129,000	Greater than \$206,000 and less than or equal to \$258,000	\$69.90	\$244.60
Greater than \$129,000 and less than or equal to \$161,000	Greater than \$258,000 and less than or equal to \$322,000	\$174.70	\$349.40
Greater than \$161,000 and less than or equal to \$193,000	Greater than \$322,000 and less than or equal to \$386,000	\$279.50	\$454.20
Greater than \$193,000 and less than \$500,000	Greater than \$386,000 and less than \$750,000	\$384.30	\$559.00
Greater than or equal to \$500,000	Greater than or equal to \$750,000	\$419.30	\$594.00

In addition, the monthly premium rates to be paid by (or on behalf of) beneficiaries with full Part B coverage who are married and lived with their spouses at any time during the taxable year, but who file separate tax returns from their spouses, 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, with modified adjusted gross income:	Income-Related Monthly Adjustment Amount	Total Monthly Premium Amount
Less than or equal to \$103,000	\$0.00	\$174.70
Greater than \$103,000 and less than \$397,000	\$384.30	\$559.00
Greater than or equal to \$397,000	\$419.30	\$594.00

Immunosuppressive Drug Part B Coverage Only

Beginning in 2023, certain Medicare enrollees who are 36 months post-kidney transplant, and therefore are no longer eligible for full Medicare coverage, can elect to continue Part B coverage of immunosuppressive drugs by paying a premium. For 2024, the **immunosuppressive drug premium is \$103.00.**

For beneficiaries with immunosuppressive drug only Part B coverage who file either individual tax returns (and are single individuals, heads of households, qualifying widows or widowers with dependent children, or married individuals filing separately who lived apart from their spouses for the entire taxable year) or joint tax returns, the 2024 Part B monthly premium rates are shown below.

Beneficiaries who file individual tax returns with modified adjusted gross income:	Beneficiaries who file joint tax returns with modified adjusted gross income:	Income-Related Monthly Adjustment Amount	Total Monthly Premium Amount
Less than or equal to \$103,000	Less than or equal to \$206,000	\$0.00	\$103.00
Greater than \$103,000 and less than or equal to \$129,000	Greater than \$206,000 and less than or equal to \$258,000	\$68.70	\$171.70
Greater than \$129,000 and less than or equal to \$161,000	Greater than \$258,000 and less than or equal to \$322,000	\$171.70	\$274.70
Greater than \$161,000 and less than or equal to \$193,000	Greater than \$322,000 and less than or equal to \$386,000	\$274.70	\$377.70
Greater than \$193,000 and less than \$500,000	Greater than \$386,000 and less than \$750,000	\$377.70	\$480.70
Greater than or equal to \$500,000	Greater than or equal to \$750,000	\$412.10	\$515.10

The monthly premium rates to be paid by (or on behalf of) beneficiaries with immunosuppressive drug only Part B coverage who are married and lived with their spouses at any time during the taxable year, but who file separate tax returns from their spouses, 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, with modified adjusted gross income:	Income-Related Monthly Adjustment Amount	Total Monthly Premium Amount
Less than or equal to \$103,000	\$0.00	\$103.00
Greater than \$103,000 and less than \$397,000	\$377.70	\$480.70
Greater than or equal to \$397,000	\$412.10	\$515.10

CY 2024 Part A Premiums for the Uninsured Aged and for Certain Disabled Individuals Who Have Exhausted Other Entitlement

The monthly premium paid by enrollees aged 65 and over who are not otherwise eligible for benefits under Part A (hereafter known as the “uninsured aged”) will be **\$505.00**

The CY 2024 premium of \$505 is approximately 0.2% lower than the CY 2023 premium of \$506.

CMS estimates that approximately 729,000 enrollees will voluntarily enroll in Medicare Part A by paying the full premium and that over 90% of these individuals will have their Part A premium paid for by states, since they are entitled to Part A and enrolled in the Qualified Medicare Beneficiaries (QMB) program eligibility group.

The monthly premium for the individuals who are eligible under section 1818(d)(4)(B) of the Act, and who are therefore subject to a 45% reduction in the monthly premium, is **\$278**.

The CY 2024 reduced premium is the same as for CY 2023, at \$278, and CMS estimates that an additional 94,000 enrollees will pay this premium.