Medicare Changes for 2016: What You Need to Know

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The Centers for Medicare & Medicaid Services just released 2016 Medicare premium, co-pay and deductible rates.

For most participants already receiving Social Security Benefits in 2015, the 2016 basic monthly Part B (Medical) premium will remain [“held harmless”] at $104.90 because there was no increase in Social Security benefits from 2015 to 2016. An increase in Part B premiums cannot exceed the increase in Social Security benefits.

Current Social Security beneficiaries with 2014 modified adjusted gross incomes exceeding $85,000 (single/separate filing status) or $170,000 (joint filing status) will pay monthly premiums generally ranging from $170.50 to $389.80 in 2016 (previously, $146.90 to $335.70).

For participants who 1) started paying Part B premiums before 2016 but are not currently receiving Social Security benefits or 2) will start paying Part B premiums in 2016, the basic monthly premium will be $121.80—a 16.1% increase from 2015. [Based on an earlier report from the trustees of Part A (Hospitalization) and Part B, commentators were predicting a whopping 52% increase in Part B premiums which are statutorily required to cover 25% of Part B costs. The recent passage of the Bipartisan Budget Act of 2015 mitigated the expected increase.]

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For a complete summary of the 2016 Medicare-related changes, click on the following link: https://www.medicare.gov/your-medicare-costs/costs-at-a-glance/costs-at-glance.html#collapse-4809

If you have any questions, contact your Anchin relationship partner.