

CMS Releases Medicare Part A and B Values for 2018

The Centers for Medicare & Medicaid Services has announced the 2018 Medicare Part A and B premium, deductible, and coinsurance amounts. There is a small increase in Part A amounts, and while the standard Part B premium will not increase in 2018, some Part B enrollees protected by a “hold harmless” provision in 2017 will pay more. The Part B deductible will not increase for any beneficiaries. The 2018 Medicare Part D parameters were released earlier this year. (See our [May 15, 2017 For Your Information.](#))

Medicare Part A

On November 17, the Centers for Medicare & Medicaid Services (CMS) [announced](#) the Medicare Part A premium, deductible and coinsurance amounts for 2018, and provided a [fact sheet](#) with additional background.

Premiums

Approximately 99% of Medicare beneficiaries do not pay a Part A premium because they have at least 40 quarters of Medicare-covered employment. For those individuals who pay a premium, the Medicare Part A premiums for the 12-month period beginning on January 1, 2018 are as follows:

Premium Type	2018	2017	Change
Premium to purchase coverage for individuals who are not otherwise eligible for Medicare Part A and certain disabled individuals	\$422	\$413	2.2%
Premium for certain individuals entitled to a reduced monthly premium (who had at least 30 quarters of Medicare-covered employment or were married to someone with at least 30 quarters of Medicare-covered employment)	\$232	\$227	2.2%

Deductible and Coinsurance Amounts

The Medicare Part A deductible and coinsurance amounts for the 12-month period beginning on January 1, 2018 are as follows:

Deductible and Coinsurance Type	2018	2017	Change
Deductible for up to 60 days of Medicare-covered inpatient hospital care	\$1,340	\$1,316	1.8%
Daily coinsurance for 61 st through 90 th day of hospitalization	\$335	\$329	1.8%
Daily coinsurance for lifetime reserve days	\$670	\$658	1.8%
Daily coinsurance for 21 st through the 100 th day of extended care services in skilled nursing facility	\$167.50	\$164.50	1.8%

Medicare Part B

The CMS [announcement](#) and [fact sheet](#) also included the Medicare Part B monthly premium rates and annual deductible amounts for 2018.

The standard monthly premium for Medicare Part B will not increase in 2018.

Premium Type	2018	2017	Change
Standard monthly premium	\$134	\$134	0.0%

About 70% of Part B enrollees benefit from a “hold harmless” provision that protects them from any increase in Part B premiums (typically deducted from Social Security checks) that would effectively reduce their monthly Social Security payments. These Part B enrollees had their Part B premium capped at an average of about \$109 for 2017. (See our [November 30, 2016 For Your Information](#).) CMS estimates that for 2018, 42% of Part B enrollees will pay less than the \$134 standard premium due to the hold harmless provision. The provision was triggered because the cost-of-living adjustment (COLA) for Social Security benefits in 2018 will be 2.0%, (see our [October 13, 2017 For Your Information](#)) and an increase in the Part B premium to \$134 would reduce the net benefit Social Security payment for these Part B enrollees.

Who is not protected by the “hold harmless” provision?

- New Medicare enrollees in 2018
- Higher-income Medicare beneficiaries
- Medicare beneficiaries dually eligible for Medicare and Medicaid
- Medicare Part B enrollees not receiving Social Security benefits

The 30% of Social Security recipients not subject to the hold harmless provision will pay a minimum of \$134 a month for Part B coverage in 2018. Medicare beneficiaries with higher incomes pay a larger portion of their Medicare Part B premium amounts based on a predetermined formula.

The 2018 Medicare Part B monthly premiums based on income tax filing status and income are:

Individual Filing Status	Married Filing Jointly Status	2018 Monthly Premium	2017 Monthly Premium	Change
Income up to \$85,000	Income up to \$170,000	\$134.00	\$134.00	0.0%
\$85,001 - \$107,000	\$170,001 - \$214,000	\$187.50	\$187.50	0.0%
\$107,001 - \$133,500	\$214,001 - \$267,000	\$267.90	\$267.90	0.0%
\$133,501 - \$160,000	\$267,001 - \$320,000	\$348.30	\$267.90	30.0%
\$160,001 - \$214,000	\$320,001 - \$428,000	\$428.60	\$348.30	23.1%
More than \$214,000	More than \$428,000	\$428.60	\$428.60	0.0%

Comment: The increase in the Part B premium rates for some individuals with higher incomes is a result of the Medicare Access and CHIP Reauthorization Act of 2015, which increased the amounts that higher-income enrollees must pay for coverage under Medicare Parts B and D starting in 2018. See our *For Your Information* from [May 29, 2015](#).

Married Filing Separately, Lived with Spouse During Tax Year	2018 Monthly Premium	2017 Monthly Premium	Change
Income up to \$85,000	\$134.00	\$134.00	0.0%
More than \$85,000	\$428.60	\$428.60	0.0%

Finally, the Medicare Part B deductible for the 12-month period beginning on January 1, 2018 will remain at \$183.

Deductible Type	2018	2017	Change
Medicare Part B	\$183	\$183	0.0%

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