

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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