

# Changing Medicare costs for 2018

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Some Medicare costs increased effective January 1, 2018. Increases impact all retirees who are on Medicare, but the exact impacts vary, depending on your individual circumstances. It gets complicated.

## **Q1. How do these costs impact retirees?**

**A1.** Most Medicare-eligible retirees have both Part A and Part B and pay the Part B premium. Part A & B deductibles and co-insurance apply to all who have Original Medicare. If you also have company health insurance or a Medicare Supplement (Medigap) policy, that insurance helps pay the Medicare deductibles and co-insurance. If you have a Medicare Advantage (Part C) Plan, then you do not have Original Medicare, and you do not pay Medicare deductibles and co-insurance. You pay your Medicare Advantage Plan's costs instead.

## **Q2. Since all of us retirees on Medicare pay the Part B monthly premium, is it true that all of us will pay \$134/month in 2018. I only paid \$107 in 2017.**

**A2.** No. Some of us are protected from the full increase in the Part B premium by the "hold harmless" provision of the Social Security law. This provision applies to people who are drawing Social Security benefits, are on Medicare and have their Part B premium deducted from their Social Security benefit each month.

In 2018, there is a 2 per cent cost of living (COLA) increase in Social Security benefits. If the dollar amount of your Social Security increase is large enough to cover the increase in your Part B premium, then you will pay the full \$134 for your Part B premium. If not, then the "hold harmless" provision kicks in, and your Part B premium increase will be no larger than your Social Security increase. (See examples below).

## **Q3. Does everyone qualify for this 'hold harmless' protection?**

**A3.** No. For example, if you are new to Medicare, you will have to pay the full \$134. The hold harmless provision protects Social Security recipients from paying higher Part B premium costs so long as:

1. You were entitled to Social Security benefits for November and December of the previous year (2017);
2. The Medicare Part B premium was deducted from your Social Security benefits in November 2017 through January 2018;
3. You don't already pay higher Part B premiums because of Income-Related Monthly Adjustment Amount (IRMAA) eligibility (income over \$85,000 for an individual); **AND**
4. You do not receive a Cost of Living Adjustment (COLA) large enough to cover the increased premium. (Source: [medicareinteractive.org](http://medicareinteractive.org), Medicare Rights Center, "Increases in Part B premiums and the hold harmless provision.").

## **Q4. That makes my head spin. Can you give an example of how this works?**

**A4.** Here are two examples of how the 2% COLA can affect the Part B premium:

### **Example 1: Louisa "held harmless" in 2018**

	COLA (2% in 2018)	Gross Social Security Income	Part B Premium	Net Social Security
2017		\$1,000	\$104	\$896
2018	\$20	\$1,020	\$124	\$896

**Example 2: Jeff NOT "held harmless" in 2018**

	COLA (2% Gross Social Security in 2018)	Gross Income	Part B Premium	Net Social Security
2017		\$2,000	\$109	\$1,891
2018	\$40	\$2,040	\$134	\$1,906

2018 Medicare costs at a glance	
Part A hospital insurance premium	Most people don't pay a monthly premium for Part A. If you or your spouse paid Medicare taxes during at least 10 years of work, then you don't pay the Part A premium.
Part A hospital inpatient deductible and coinsurance: No change from 2017	<p>You pay:</p> <ul style="list-style-type: none"> <li>• \$1,340 deductible for each benefit period</li> <li>• Days 1-60: \$0 coinsurance for each benefit period</li> <li>• Days 61-90: \$335 coinsurance per day of each benefit period</li> <li>• Days 91 and beyond: \$670 coinsurance per each "lifetime reserve day" after day 90 for each benefit period (up to 60 days over your lifetime)</li> <li>• Beyond lifetime reserve days: all costs</li> </ul>
Part B medical insurance premium: No change from 2017 in basic premium amount. Tiers for high income IRMAA did change*.	The standard Part B premium amount is \$134 (or higher depending on your income*). However, some people who get Social Security benefits will pay less than this amount due to "hold harmless" rules (\$130 on average).
Part B deductible and coinsurance: No change from 2017.	\$183 per year. After your deductible is met, you typically pay 20% of the <b>Medicare-approved amount</b> for most doctor services (including most doctor services while you're a hospital inpatient), outpatient therapy, and <a href="#">durable medical equipment</a> .

\*Income Related Monthly Adjusted Amount (IRMAA)

If your yearly income in 2016 was			You pay each month (in 2018)
File individual tax return	File joint tax return	File married & separate tax return	
\$85,000 or less	\$170,000 or less	\$85,000 or less	\$134
above \$85,000 up to \$107,000	above \$170,000 up to \$214,000	Not applicable	\$187.50
above \$107,000 up to \$133,500	above \$214,000 up to \$267,000	Not applicable	\$267.90
above \$133,500 up to \$160,000	above \$267,000 up to \$320,000	Not applicable	\$348.30
above \$160,000	above \$320,000	above \$85,000	\$428.60

(Source: Medicare.gov)

## Medicare Home Health Services

**by Greg Dill, Medicare regional administrator. Medicare answers are at 1-800-MEDICARE (1-800-633-4227)**

A couple of years ago, my father, well into his 70s, finally bought himself a high-performance automobile. The

kids and grandkids had all grown up, so there was no need for a larger car. And heck, he had waited a long time to drive something fun.

All was fine with the new car until my mother broke her hip, had surgery and needed extensive outpatient therapy. Getting into and out of a sporty car isn't easy for someone using a walker and cane. So, I got a phone call asking what could be done. (Actually, I think he was angling for my new minivan, whose video screens would give him something to do during mom's therapy sessions.)

But, I told him he didn't need to take mom to a clinic or hospital. As a Medicare beneficiary, she could receive most of the therapy at home. Medicare covers a variety of health-care services that you can get in the comfort and privacy of your home. These include intermittent skilled nursing care, physical therapy, speech-language services and occupational therapy.

Such services used to be available only at a hospital or doctor's office. But they're just as effective, more convenient and usually less expensive when you get them in your home.

To be eligible for home health services, you must be under a doctor's care and receive services under a plan of care established and reviewed regularly by a physician. He or she also needs to certify that you need one or more home health services.

In addition, you must be homebound and have a doctor's certification to that effect. Being homebound means leaving your home isn't recommended because of your condition, or your condition keeps you from leaving without using a cane, wheelchair or walker; special transportation; or getting help from another person.

Also, you must get your services from a Medicare approved agency.

If you meet these criteria, Medicare pays for covered home health services for as long as you're eligible and your doctor certifies that you need them.

Medicare does not cover full-time nursing care. But skilled nursing services include giving IV drugs, shots, or tube feedings; changing dressings; and teaching about prescription drugs or diabetes care.

Before your home health care begins, the home health agency should tell you how much of your bill Medicare will pay. The agency should also tell you if any items or services they give you aren't covered by Medicare and how much you'll have to pay.

This should be explained by both talking with you and in writing. The agency should give you a notice called the Home Health Advance Beneficiary Notice before giving you services and supplies that Medicare doesn't cover.

What isn't covered? Some examples:

- 24-hour-a-day care at home.
- Meals delivered to your home.
- Homemaker services like shopping, cleaning, and laundry (when this is the only care you need, and when these services aren't related to your plan of care).
- Personal care by home health aides like bathing, dressing and using the bathroom (when this is the only care you need).

If you get your Medicare benefits through a Medicare Advantage or other Medicare health plan (not Original Medicare), check your plan's membership materials. Contact the plan for details about how the plan provides your Medicare-covered home health benefits.

If your doctor decides you need home health care, you can choose from among the Medicare-certified

agencies in your area. (However, Medicare Advantage or other Medicare plans may require that you get services only from agencies they contract with.)

One good way to look for a home health agency is by using [www.medicare.gov/HHCompare](http://www.medicare.gov/HHCompare), Medicare's "Home Health Compare" web tool.

Our booklet, "Medicare and Home Health Care," is online at:  
[www.medicare.gov/Pubs/pdf/10969-Medicareand-Home-Health-Care.pdf](http://www.medicare.gov/Pubs/pdf/10969-Medicareand-Home-Health-Care.pdf) .