



Update to Medicare Deductible, Coinsurance and Premium Rates for Calendar Year (CY) 2021

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Related Change Request (CR) Number: 12024

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Related CR Transmittal Number: R10469GI Implementation Date: January 4, 2021

PROVIDER TYPES AFFECTED

This MLN Matters Article is for physicians, providers, and suppliers submitting claims to Medicare Administrative Contractors (MACs), including Home Health and Hospice (HH&H) MACs and Durable Medical Equipment (DME) MACs for services provided to Medicare beneficiaries.

WHAT YOU NEED TO KNOW

This article informs you of the new Calendar Year (CY) 2021 Medicare premium, coinsurance, and deductible rates.

BACKGROUND

Beneficiaries who use covered Part A services may be subject to deductible and coinsurance (percent of costs that the enrollee must pay) requirements. A beneficiary is responsible for an inpatient hospital deductible amount which is deducted from the amount payable by the Medicare program to the hospital for inpatient hospital services provided in a spell of illness.

When a beneficiary receives such services for more than 60 days during a spell of illness, he or she is responsible for a coinsurance amount equal to one-fourth of the inpatient hospital deductible per day for the 61st through 90th day spent in the hospital. A beneficiary has 60 lifetime reserve days of coverage, which they may elect to use after the 90th day in a spell of illness. The coinsurance amount for these days is equal to one-half of the inpatient hospital deductible. A beneficiary is responsible for a coinsurance amount equal to one-eighth of the inpatient hospital deductible per day for the 21st through the 100th day of Skilled Nursing Facility (SNF) services provided during a spell of illness.

Most individuals age 65 and older, and many disabled individuals under age 65, are insured for Health Insurance (HI) benefits without a premium payment. The Social Security Act provides

that certain aged and disabled persons who are not insured may voluntarily enroll but are subject to the payment of a monthly premium. Since 1994, voluntary enrollees may qualify for a reduced premium if they have 30 to 39 quarters of covered employment. When voluntary enrollment takes place more than 12 months after a person's initial enrollment period, a 10% penalty is assessed for 2 years for every year they could have enrolled and failed to enroll in Part A.

Under Part B of the Supplementary Medical Insurance (SMI) program, all enrollees are subject to a monthly premium. Most SMI services are subject to an annual deductible and coinsurance, which are set by statute. When Part B enrollment takes place more than 12 months after a person's initial enrollment period, there is a permanent 10% increase in the premium for each year the beneficiary could have enrolled and failed to enroll.

Policy: 2021 Part A – Hospital Insurance

- **Part A Deductible**
 - \$1,484.00
- **Part A Coinsurance**
 - \$371.00 a day for days 61 through 90
 - \$742.00 a day for days 91 through 150 (lifetime reserve days)
 - \$185.50 a day for days 21 through 100 (Skilled nursing facility coinsurance)
- **Part A Base Premium (BP)**
 - \$471.00 a month
- **Part A BP with 10% surcharge**
 - \$518.10 a month
- **Part A BP with 45% reduction**
 - \$259.00 a month (for those who have 30 to 39 quarters of coverage)
- **Part A BP with 45% reduction and 10% surcharge**
 - \$284.90 a month

2021 Part B – Supplementary Medical Insurance (SMI)

- **Part B Standard Premium**
 - \$148.50 a month
- **Part B Deductible**
 - \$203.00 a year
- **Pro Rata Data Amount**
 - \$145.31 for the 1st month
 - \$57.69 for the 2nd month
- **Coinsurance**
 - 20%

ADDITIONAL INFORMATION

The official instruction, CR 12024, issued to your MAC regarding this change is available at <https://www.cms.gov/files/document/r10469qi.pdf>. See Attachment A of CR 12024 for Income Parameters for Determining Part B Premium.

If you have questions, your MACs may have more information. Find their website at <http://go.cms.gov/MAC-website-list>.

DOCUMENT HISTORY

Date of Change	Description
November 20, 2020	Initial article released.

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