

Medicare Part B and 2016

There will not be a Social Security Cost of Living Adjustment (COLA) in 2016 due to low inflation, so by law, the federal government cannot increase the standard cost of Medicare Part B (\$104.90) for those **currently enrolled** in Medicare **AND** who have the premium deducted from their Social Security check. This is called the "hold harmless" provision and will affect 70% of the people with Medicare.

Due to increasing medical costs, Medicare still needs more revenue. In 2016, it can still pass along cost increases to **new** Medicare beneficiaries, high income beneficiaries who pay the Income Related Monthly Adjustment Amount (IRMAA) and those who pay Part B premium directly to Social Security. It has to spread the higher costs over a fewer number of people (30% of Medicare beneficiaries). Therefore for this smaller population, Medicare Part B standard costs could increase by 52% or from \$104.90 to \$159.30 per month. Note that the final premiums will be announced in later this month.

We expect our Medicare primary retirees as well as employers who reimburse Part B to be concerned about this significant cost increase. Those who are eligible for both Medicare and Medicaid have their Medicare Part B premium paid by the state. Members enrolled in the NYSHIP Empire Plan currently have Medicare Part B and the IRMAA reimbursed. Other locals may have negotiated some Medicare premium reimbursement as part of their collective bargaining agreement. If you are a Medicare beneficiary, it is critical that you continue to pay this premium even if you are not reimbursed as your secondary coverage could be drastically reduced or terminated.

This situation may be similar to what happened in 2010 and 2011 when due to no COLA, the Part B standard premium changed from \$ 96.40 to \$110.50 and \$115.40 respectively for 27% of the beneficiaries. When there finally was a COLA, the standard premium was changed to \$99.90 for all payers in 2012. It remained \$104.90 from 2013-2015.

If you have any questions, please contact the Medicare Rights Center at 1-800-333-4114 or info@medicarerights.org.