



## Update to Medicare Deductible, Coinsurance and Premium Rates for 2009 – JA6258

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Date Job Aid Revised: December 4, 2008

Effective Date: January 1, 2009

Implementation Date: January 5, 2009

**Key Words** MM6258, CR6258, Deductible, Coinsurance, Premium, R56GI

**Contractors Affected**

- Part A/B Medicare Administrative Contractors (A/B MACs)
- Durable Medical Equipment MACs (DME MACs)
- Fiscal Intermediaries (FIs)
- Carriers
- Rural Home Health Intermediaries (RHHIs)

**Provider Types Affected**

Physicians, providers, and suppliers who bill Medicare Carriers, FIs, RHHIs, A/B MACs, DME MACs for services provided to Medicare beneficiaries



Change Request (CR) 6258 provides the Medicare rates for deductible, coinsurance and premium payment amounts for calendar year 2009.

**Provider Needs to Know...**

**2009 Part A - Hospital Insurance (HI)**

- A beneficiary is responsible for an inpatient hospital deductible amount, which is deducted from the amount that the Medicare program pays the hospital for inpatient hospital services it furnishes in an illness episode.
- When a beneficiary receives such services for more than 60 days during an illness encounter, he or she is responsible for a coinsurance amount that is equal to one-fourth of the inpatient hospital deductible per-day for the 61st-90th day spent in the hospital.

- Providers should note that an individual 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 services furnished during an illness episode.
- The 2009 deductible and coinsurance amounts are listed below.

Part A – Hospital Insurance (HI)			
Deductible	\$1,068.00		
Coinsurance	Hospital		Skilled Nursing Facility
	Days 61-90	Days 91-150 (Lifetime Reserve Days)	Days 21-100
	\$267.00	\$534.00	\$133.50

- Most individuals age 65 and older (and many disabled individuals under age 65) are insured for HI benefits without a premium payment.
- In addition, 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 Part A premium.
- Since 1994, voluntary enrollees may qualify for a reduced Part A premium if they have 30-39 quarters of covered employment.
- When voluntary enrollment takes place more than 12 months after a person's initial enrollment period, a 2-year 10% penalty is assessed for every year they had the opportunity to (but failed to) enroll in Part A.
- The 2009 Part A premiums are listed below.

Voluntary Enrollees Part A Premium Schedule	
Base Premium (BP)	\$443.00 per month
Base Premium with 10% Surcharge	\$487.30 per month
Base premium with 45% Reduction	\$244.00 per month (for those who have 30-39 quarters of coverage)
Base premium with 45% Reduction and 10% surcharge	\$268.40 per month

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2009 Part B - Supplementary Medical Insurance (SMI)

- Under the Part B SMI program, all enrollees are subject to a monthly premium.
  - In addition, most SMI services are subject to an annual deductible and coinsurance (percent of costs that the enrollee must pay), 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 had the opportunity to (but failed to) enroll.
  - For 2009, the standard premium for SMI services is \$96.40 a month; the deductible is \$135.00 a year; and the coinsurance is 20%.
  - The Part B premium is influenced by the beneficiary's income and can be substantially higher based on income.
  - The higher premium amounts and relative income levels for those amounts are contained in CR6258.
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Background

Beneficiaries who use covered Part A services may be subject to deductible and coinsurance requirements.

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Operational  
Impact

N/A

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Reference  
Materials

The related MLN Matters article can be found at <http://www.cms.hhs.gov/MLNMattersArticles/downloads/MM6258.pdf> on the CMS website.

The official instruction (CR6258) issued regarding this change may be found at <http://www.cms.hhs.gov/Transmittals/downloads/R56Gl.pdf> on the CMS website.

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