



Provider Inquiry Assistance

Update to Medicare Deductible, Coinsurance, and Premium Rates for 2010 – JA6690

Related CR Release Date: November 13, 2009

Date Job Aid Revised: November 18, 2009

Effective Date: January 1, 2010

Implementation Date: January 4, 2010

Key Words MM6690, CR6690, R61GI, Deductible, Coinsurance, Premium

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

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



Change Request (CR) 6690 provides the Medicare rates for deductible, coinsurance, and premium payment amounts for calendar year (CY) 2010.

Beneficiary Responsibility - 2010 Part A - Hospital Insurance (HI)

- Provider Needs to Know...**
- Deductible and Coinsurance**
- 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.

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 also 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.

2010 Deductible and Coinsurance Amounts

- The deductible and coinsurance amounts for CY 2010 are shown in the table below.

2010 Part A – Hospital Insurance (HI)			
Deductible	\$1,100.00		
Coinsurance	Hospital		Skilled Nursing Facility
	Days 61-90	Days 91-150 (Lifetime Reserve Days)	Days 21-100
	\$275.00	\$550.00	\$137.50

Monthly Premium

- 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.

2010 Premium Amounts

- The CY 2010 Part A premiums are listed in the table below.

Voluntary Enrollees Part A Premium Schedule for 2010	
Base Premium	\$461.00 per month
Base Premium with 10% Surcharge	\$507.10 per month
Base premium with 45% Reduction	\$254.00 per month (for those who have 30-39 quarters of coverage)
Base premium with 45% Reduction and 10% surcharge	\$279.40 per month

Beneficiary Responsibility - CY 2010 Part B - Supplementary Medical Insurance (SMI)

Monthly Premium

- Under Part B (SMI program) all enrollees are subject to a monthly premium.

Deductible and Coinsurance

- 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.

2010 Premium Amounts

- For 2010, the standard premium for SMI services is \$110.50 a month; the deductible is \$155.00 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 CR6690, which is available at <http://www.cms.hhs.gov/Transmittals/downloads/R61Gl.pdf> on the CMS website.
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Background

Medicare beneficiaries who use covered Part A services may be subject to deductible and coinsurance payments.

Operational Impact

N/A

Reference Materials

The related MLN Matters® article can be found at <http://www.cms.hhs.gov/MLNMattersArticles/downloads/MM6690.pdf> on the CMS website.

The official instruction (CR6690) regarding this change may be viewed at <http://www.cms.hhs.gov/transmittals/downloads/R61Gl.pdf> on the CMS website.
