



News Flash – The “Medicare Billing Information for Rural Providers and Suppliers” (ICN 006762)(Sept. 2011) booklet is designed to provide education on Medicare rural billing. It includes information for Rural Health Clinics, Federally Qualified Health Centers, Skilled Nursing Facilities, Home Health Agencies, Critical Access Hospitals, and Swing Beds. To access the downloadable version of the Rural Health Bookmark, visit <http://go.cms.gov/MLNProducts>, scroll down to “Related Links” and select “MLN Product Ordering Page.”

MLN Matters Number: MM6690

Related Change Request (CR) #: 6690

Related CR Release Date: November 13, 2009

Effective Date: January 1, 2010

Related CR Transmittal #: R61GI

Implementation Date: January 4, 2010

Note: This article was updated on January 18, 2013, to reflect current Web addresses. All other information remains unchanged.

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

Provider Types Affected

Physicians, providers, and suppliers who bill Medicare contractors (fiscal intermediaries (FI), regional home health intermediaries (RHFI), Medicare Administrative Contractors (A/B MAC), Durable Medical Equipment Medicare Administrative Contractors (DME MAC) and carriers) for services provided to Medicare beneficiaries.

Impact on Providers

This article is based on Change Request (CR) 6690, which provides the Medicare rates for deductible, coinsurance, and premium payment amounts for calendar year (CY) 2010.

2010 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

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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.

Please 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.

In addition, 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 furnished during an illness episode. The 2010 deductible and coinsurance amounts are in the following table.

Table 1

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

Most individuals age 65 and older (and many disabled individuals under age 65) are insured for Health Insurance (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 2010 Part A premiums are listed in table 2, below.

Table 2

Voluntary Enrollees Part A Premium Schedule for 2010	
Base Premium (BP)	\$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

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2010 Part B - Supplementary Medical Insurance (SMI)

Under Part B, the Supplementary Medical Insurance (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. Further, 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 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 CR 6690, which is available at <http://www.cms.gov/Regulations-and-Guidance/Guidance/Transmittals/downloads/R61GI.pdf> on the CMS website.

Additional Information

If you have questions, please contact your Medicare FI, A/B MAC, DME MAC, carriers or RHHI at their toll-free number which may be found at <http://www.cms.gov/Research-Statistics-Data-and-Systems/Monitoring-Programs/provider-compliance-interactive-map/index.html> on the CMS website.

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