

DEPARTMENT OF HEALTH AND HUMAN SERVICES  
Centers for Medicare & Medicaid Services



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MLN Matters® Number: MM8527

Related Change Request (CR) #: CR 8527

Related CR Release Date: November 15, 2013

Effective Date: January 1, 2014

Related CR Transmittal #: R82GI

Implementation Date: January 6, 2014

## **Update to Medicare Deductible, Coinsurance, and Premium Rates for 2014**

### **Provider Types Affected**

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This MLN Matters® Article is intended for physicians, other providers, and suppliers submitting claims to Medicare contractors (Fiscal Intermediaries (FIs), carriers, Regional Home Health Intermediaries (RHHIs), Durable Medical Equipment/ Medicare Administrative Contractors (DME/MACs) and A/B Medicare Administrative Contractors (A/B MACs)) for services to Medicare beneficiaries.

### **Provider Action Needed**

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This article is based on Change Request (CR) 8527 which details the new Calendar Year (CY) 2014 Medicare premium, coinsurance, and deductible amounts. Make sure that your billing staffs are aware of these changes.

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## Background

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Beneficiaries who use covered Part A services may be subject to deductible and coinsurance 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 furnished 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-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 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 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 30-39 quarters of covered employment. When voluntary enrollment takes place more than 12 months after a person's initial enrollment period, a 10 percent 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 (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 percent increase in the premium for each year the beneficiary could have enrolled and failed to enroll.

The updated rates are as follows:

### 2014 PART A - HOSPITAL INSURANCE (HI) RATES

#### Deductible

- \$1,216.00

#### Coinsurance

- \$304.00 a day for 61st-90th day
- \$608.00 a day for 91st-150th day (lifetime reserve days)
- \$152.00 a day for 21st-100th day (Skilled Nursing Facility coinsurance)

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Base Premium (BP)

- \$426.00 a month

BP with 10% surcharge

- \$468.60 a month

BP with 45% reduction

- \$234.00 a month (for those who have 30-39 quarters of coverage)

BP with 45% reduction and 10% surcharge

- \$257.40 a month

**2014 PART B - SUPPLEMENTARY MEDICAL INSURANCE (SMI) RATES**Standard Premium

- \$104.90 a month

Deductible

- \$147.00 a year

Pro Rata Data Amount

- \$114.99 1st month
- \$32.01 2nd month

Coinsurance

- 20 percent

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## Additional Information

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The official instruction, CR 8527 issued to your MAC regarding this change may be viewed at <http://www.cms.hhs.gov/Regulations-and-Guidance/Guidance/Transmittals/Downloads/R82Gl.pdf> on the CMS website.

If you have any questions, please contact your MAC 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.

**News Flash** - Generally, Medicare Part B covers one flu vaccination and its administration per flu season for beneficiaries without co-pay or deductible. Now is the perfect time to vaccinate beneficiaries. Health care providers are encouraged to get a flu vaccine to help protect themselves from the flu and to keep from spreading it to their family, co-workers, and patients. Note: The flu vaccine is not a Part D-covered drug. For more information, visit:

- [MLN Matters® Article #MM8433](#), "Influenza Vaccine Payment Allowances - Annual Update for 2013-2014 Season"
- [MLN Matters® Article #SE1336](#), "2013-2014 Influenza (Flu) Resources for Health Care Professionals"
- [HealthMap Vaccine Finder](#) - a free, online service where users can search for locations offering flu and other adult vaccines. While some providers may offer flu vaccines, those that don't can help their patients locate flu vaccines within their local community.

The CDC website for [Free Resources](#), including [prescription-style tear-pads](#) that allow you to give a customized flu shot reminder to patients at high-risk for complications from the flu.

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