



Update to Medicare Deductible, Coinsurance and Premium Rates for Calendar Year (CY) 2020

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Related Change Request (CR) Number: 11542

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PROVIDER TYPES AFFECTED

This MLN Matters Article is for physicians, providers and suppliers submitting claims to Medicare Administrative Contractors (MACs), including Home Health and Hospice MACs and Durable Medical Equipment (DME MACs) for services provided to Medicare beneficiaries.

PROVIDER ACTION NEEDED

CR 11542 instructs the MACs to update the claims processing system with the new Calendar Year (CY) 2020 Medicare rates. These updates relate to Chapter 3, sections 10.3, 20.2, and 20.6 of the Medicare General Information, Eligibility, and Entitlement Manual, which are attachments to the CR. Please make sure your billing staffs are aware of these changes.

BACKGROUND

Beneficiaries who use covered Part A services may be subject to deductible and coinsurance requirements. Beneficiaries are 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 beneficiaries receive such services for more than 60 days during a spell of illness, they are responsible for a coinsurance amount equal to one-fourth (25 percent) of the inpatient hospital deductible per day for the 61st through 90th days in the hospital. A beneficiary 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 aged 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 (the 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 2020 Part A and B deductible, coinsurance, and premium rates are as follows:

2020 Part A – Hospital Insurance (HI)

- **Part A Deductible**
 - \$1,408.00
- **Part A Coinsurance**
 - \$352.00 a day for 61st-90th days
 - \$704.00 a day for 91st-150th days (lifetime reserve days)
 - \$176.00 a day for 21st-100th days (SNF coinsurance)
- **Part A Base Premium (BP)**
 - \$458.00 a month
- **Part A BP with 10-Percent Surcharge**
 - \$503.80 a month
- **Part A BP with 45-Percent Reduction**
 - \$252.00 a month (for those who have 30-39 quarters of coverage)
- **Part A BP with 45-Percent Reduction and 10-Percent Surcharge**
 - \$277.20 a month

2020 Part B – Supplementary Medical Insurance (SMI)

- **Part B Standard Premium**
 - \$144.60 a month
- **Part B Deductible**
 - \$198.00 a year
- **Pro Rata Data Amount**
 - \$140.46 - 1st month

- \$57.54 - 2nd month
- **Coinsurance**
 - 20 percent

Note: See Attachment A of CR11542 for “Income Parameters for Determining Part B Premium”

ADDITIONAL INFORMATION

The official instruction, CR 11542, issued to your MAC regarding this change is available at <https://www.cms.gov/files/document/r129qi>.

If you have questions, your MACs may have more information. Find their website at <http://go.cms.gov/MAC-website-list>.

DOCUMENT HISTORY

Date of Change	Description
November 22, 2019	Initial article released.

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