

New Part D Income Related Adjustment Amount



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Basics

- Section 3308 of the Act
- Effective January 1, 2011, high income individuals will pay higher part D premiums (i.e. income related monthly adjustment amount)
- Based upon incomes reported to IRS
- Additional amount is % based on national base premium

Income Limits

Individual tax filers	Joint tax filers with income
Greater than \$85,000 and less than or equal to \$107,000	Greater than \$170,000 and less than or equal to \$214,000
Greater than \$107,000 and less than or equal to \$160,000	Greater than \$214,000 and less than or equal to \$320,000
Greater than \$160,000 and less than or equal to \$214,000	Greater than \$320,000 and less than or equal to \$428,000
Greater than \$214,000	Greater than \$428,000

Paying Part D IRMAA

- Part D IRMAA will be deducted from monthly SSA/OPM/RRB benefit (regardless of method of paying plan premium)
- Direct bill -- if benefit insufficient, less than direct deposit, or does not get benefit check

What if Income Decreases?

- SSA – continue review life changing events that lead to a decrease in income (similar to Part B IRMAA)
- Individuals must present evidence of the event and tell how it reduced their income (currently SSA Form 44)

Role of Plans

- Plans will not be responsible for determining, calculating, billing, or collecting Part D-IRMAA
- CMS will release HPMS memo shortly clarifying plan roles, including FAQs to answer member inquiries
- More detail on Part D IRMAA in upcoming proposed regulation