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Increase in Medicare Rates

Medicare Part B: The Centers for Medicare & Medicaid Services (CMS) announced that in 2006, the Part B Medicare premium will increase by 13.2%. (Medicare Part B provides coverage for doctor visits, for a number of drugs administered by physicians in their offices due to the patient's inability to administer them at home, out-patient services, some out-patient physical and occupational therapy, home care, and durable medical equipment.) What this means is that for all Medicare recipients currently paying a Part B premium of \$78.20 per month, they will now be paying a premium of \$88.50 per month. Additionally, their Medicare Part B annual deductible for 2006 will increase from \$ 110 to \$ 124.

Individuals with low-income may be able to receive assistance with the Medicare Part B premium costs, deductibles and co-pays if, in addition to receiving Medicare

benefits, they also qualify for Medicaid benefits. For those qualified, Medicaid will cover the costs of the Part B premium, deductibles and co-payments.

Medicare Part A: The Centers for Medicare & Medicaid Services (CMS) announced that in 2006, Medicare Part A, which covers inpatient hospital care, some nursing home care and some home health care will also be increasing in 2006. The current deductible of \$912 will increase to \$952 in 2006 (in 2001 the same deductible was only \$50!). Medicare Part A co-payments will also increase: days 61 through 90 co-payment will increase from \$228 to \$238; days 91 through 150 (lifetime reserve days) co-payments will increase from \$456 to \$476. The co-insurance rate for skilled nursing facility residents who are covered by Medicare will increase from \$ 114 to \$ 119 per

day for days 21 through 100 per benefit period.

The overwhelming majority of Medicare beneficiaries do not pay a premium for Medicare Part A. However, there are many seniors and persons with disabilities under the age of 65 who obtain Medicare Part A coverage by paying a monthly premium. For those who have fewer than 30 quarters of medicare- covered employment, their premium will increase in 2006, from \$375 per month to \$393 per month. For those seniors with 30 to 39 quarters of coverage, their premium will increase in 2006, from \$206 per month to \$216 per month.

Although Medicare is cutting costs by increasing premiums and co-payments for its recipients, Medicare is offering a new Prescription Drug Benefit Program for 2006 - **Medicare Part D**. The new program, which requires an additional monthly premium of

about \$37, requires the insured to pay for the first \$250 of prescription costs in a calendar year. Part D then covers 25% of prescriptions up to \$2,850. The insured then pays all prescription costs between \$2,850 and \$5,100. Part D will then pay 95% of costs over \$5,100. Those who qualify for Part D must sign up before May 15, 2006, or face higher premiums.

If an individual has limited income and resources, Medicare Part D may cover between 85 to almost 100 percent of their drug costs. If you meet the income and resource eligibility, Medicare will also cover your premiums and deductibles and the individual will have no more than a \$5 co-pay per prescription.

To find out more information about your Medicare benefits and the new Prescription Drug Program, call 1 -800-MEDICARE or visit the agency at the Web site: www.medicare.gov.