

2018 Medicare Parts A & B Premiums and Deductibles

On November 17, 2017, the Centers for Medicare & Medicaid Services (CMS) released the 2018 premiums, deductibles, and coinsurance amounts for the Medicare Part A and Part B programs.

Medicare Part B Premiums/Deductibles

Medicare Part B covers physician services, outpatient hospital services, certain home health services, durable medical equipment, and other items.

The standard monthly premium for Medicare Part B enrollees will be \$134 for 2018, the same amount as in 2017. However, a statutory “hold harmless” provision applies each year to about 70 percent of enrollees. For these enrollees, any increase in Part B premiums must be lower than the increase in their Social Security benefits. After several years of no or very small increases, Social Security benefits will increase by 2.0 percent in 2018 due to the Cost of Living adjustment. Therefore, some beneficiaries who were held harmless against Part B premiums increases in prior years will have a premium increase in 2018.

The 30 percent of all Part B enrollees who are not subject to the “hold harmless” provision will pay the full premium of \$134 per month in 2018. Part B enrollees who were held harmless in 2016 and 2017 will see an increase in the monthly Part B premium from the roughly \$109, on average, they paid in 2017. An estimated 42 percent of all Part B enrollees are subject to the hold harmless provision in 2018 but will pay the full monthly premium of \$134, because the increase in their Social Security benefit will be greater than or equal to an increase in their Part B premiums up to the full 2018 amount. About 28 percent of all Part B enrollees are subject to the hold harmless provision in 2018 and will pay less than the full monthly premium of \$134, because the increase in their Social Security benefit will not be large enough to cover the full Part B premium increase.

Medicare Part B enrollees not subject to the “hold harmless” provision include beneficiaries who do not receive Social Security benefits, those who enroll in Part B for the first time in 2018, those who are directly billed for their Part B premium, those who are dually eligible for Medicaid and have their premium paid by state Medicaid agencies, and those who pay an income-related premium. These groups represent approximately 30 percent of total Part B beneficiaries.

The annual deductible for all Medicare Part B beneficiaries will be \$183 in 2018, the same annual deductible in 2017. Premiums and deductibles for Medicare Advantage and Medicare Prescription Drug plans are already finalized and are unaffected by this announcement.

Since 2007, beneficiaries with higher incomes have paid higher Medicare Part B monthly premiums. These income-related monthly adjustment amounts (IRMAA) affect roughly 5 percent of people with Medicare Part B. The total premiums for high income beneficiaries for 2018 are shown in the following table:

Beneficiaries who file an individual tax return with income:	Beneficiaries who file a joint tax return with income:	Income-related monthly adjustment amount	Total monthly premium amount
Less than or equal to \$85,000	Less than or equal to \$170,000	\$0.00	\$134.00

Greater than \$85,000 and less than or equal to \$107,000	Greater than \$170,000 and less than or equal to \$214,000	53.50	187.50
Greater than \$107,000 and less than or equal to \$133,500	Greater than \$214,000 and less than or equal to \$267,000	133.90	267.90
Greater than \$133,500 and less than or equal to \$160,000	Greater than \$267,000 and less than or equal to \$320,000	214.30	348.30
Greater than \$160,000	Greater than \$320,000	294.60	428.60

Premiums for beneficiaries who are married and lived with their spouse at any time during the taxable year, but file a separate return, are as follows:

Beneficiaries who are married and lived with their spouse at any time during the year, but file a separate tax return from their spouse:	Income-related monthly adjustment amount	Total monthly premium amount
Less than or equal to \$85,000	\$0.00	\$134.00
Greater than \$85,000	294.60	428.60

Medicare Part A Premiums/Deductibles

Medicare Part A covers inpatient hospital, skilled nursing facility, and some home health care services. About 99 percent of Medicare beneficiaries do not have a Part A premium since they have at least 40 quarters of Medicare-covered employment.

The Medicare Part A annual inpatient hospital deductible that beneficiaries pay when admitted to the hospital will be \$1,340 per benefit period in 2018, an increase of \$24 from \$1,316 in 2017. The Part A deductible covers beneficiaries' share of costs for the first 60 days of Medicare-covered inpatient hospital care in a benefit period. Beneficiaries must pay a coinsurance amount of \$335 per day for the 61st through 90th day of a hospitalization (\$329 in 2017) in a benefit period and \$670 per day for lifetime reserve days (\$658 in 2017). For beneficiaries in skilled nursing facilities, the daily coinsurance for days 21 through 100 of extended care services in a benefit period will be \$167.50 in 2018 (\$164.50 in 2017).

Part A Deductible and Coinsurance Amounts for Calendar Years 2017 and 2018 by Type of Cost Sharing		
	2017	2018
Inpatient hospital deductible	\$1,316	\$1,340
Daily coinsurance for 61 st -90 th Day	329	335
Daily coinsurance for lifetime reserve days	658	670
Skilled Nursing Facility coinsurance	164.50	167.50

Enrollees age 65 and over who have fewer than 40 quarters of coverage and certain persons with disabilities pay a monthly premium in order to voluntarily enroll in Medicare Part A. Individuals who had at least 30 quarters of coverage or were married to someone with at least 30 quarters of coverage may buy into Part A at a reduced monthly premium rate, which will be \$232 in 2018, a \$5 increase from 2017. Uninsured aged and certain individuals with disabilities who have exhausted other entitlement and who have less than 30 quarters of coverage will pay the full premium, which will be \$422 a month, a \$9 increase from 2017.

For more information on the 2018 Medicare Parts A and B premiums and deductibles (CMS-8065-N, CMS-8066-N, CMS-8067-N), please visit <https://www.federalregister.gov/public-inspection>.

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