



Fact sheet

# 2021 Medicare Parts A & B Premiums and Deductibles

Nov 06, 2020 Medicare Parts A & B

On November 6, 2020, the Centers for Medicare & Medicaid Services (CMS) released the 2021 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 certain other medical and health services not covered by Medicare Part A.

Each year the Medicare premiums, deductibles, and coinsurance rates are adjusted according to the Social Security Act. For 2021, the Medicare Part B monthly premiums and the annual deductible are higher than the 2020 amounts. The standard monthly premium for Medicare Part B enrollees will be \$148.50 for 2021, an increase of \$3.90 from \$144.60 in 2020. The annual deductible for all Medicare Part B beneficiaries is \$203 in 2021, an increase of \$5 from the annual deductible of \$198 in 2020.

The Part B premiums and deductible reflect the provisions of the Continuing Appropriations Act, 2021 and Other Extensions Act (H.R. 8337).

CMS is committed to empowering beneficiaries with the information they need to make informed decisions about their Medicare coverage options, including providing new tools to help them make those decisions through the eMedicare initiative. In addition to the recently released premiums and cost sharing information for 2021 Medicare Advantage and Part D plans, we are releasing the premiums and cost sharing information for Fee-for-Service Medicare, so beneficiaries understand their options for receiving Medicare benefits. As previously [announced](#), average 2021 premiums for Medicare Advantage plans are expected to decline 34.2 percent from 2017 while plan choices, benefits, and enrollment continue to increase. The Medicare Advantage average monthly premium will be the lowest

in fourteen years (since 2007). Premiums and deductibles for Medicare Advantage and Medicare Part D Prescription Drug plans are already finalized and are unaffected by this announcement.

### Medicare Part B Income-Related Monthly Adjustment Amounts

Since 2007, a beneficiary's Part B monthly premium is based on his or her income. These income-related monthly adjustment amounts affect roughly 7 percent of people with Medicare Part B. The 2021 Part B total premiums for high-income beneficiaries are shown in the following table:

<b>Beneficiaries who file individual tax returns with income:</b>	<b>Beneficiaries who file joint tax returns with income:</b>	<b>Income-related monthly adjustment amount</b>	<b>Total monthly premium amount</b>
Less than or equal to \$88,000	Less than or equal to \$176,000	\$0.00	\$148.50
Greater than \$88,000 and less than or equal to \$111,000	Greater than \$176,000 and less than or equal to \$222,000	59.40	207.90
Greater than \$111,000 and less than or equal to \$138,000	Greater than \$222,000 and less than or equal to \$276,000	148.50	297.00
Greater than \$138,000 and less than or equal to \$165,000	Greater than \$276,000 and less than or equal to \$330,000	237.60	386.10
Greater than \$165,000 and less than \$500,000	Greater than \$330,000 and less than \$750,000	326.70	475.20
Greater than or equal to \$500,000	Greater than or equal to \$750,000	356.40	504.90

Premiums for high-income beneficiaries who are married and lived with their spouse at any

time during the taxable year, but file a separate return, are as follows:

<b>Beneficiaries who are married and lived with their spouses at any time during the year, but who file separate tax returns from their spouses:</b>	<b>Income–related monthly adjustment amount</b>	<b>Total monthly premium amount</b>
Less than or equal to \$88,000	\$0.00	\$148.50
Greater than \$88,000 and less than \$412,000	326.70	475.20
Greater than or equal to \$412,000	356.40	504.90

### **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 inpatient hospital deductible that beneficiaries will pay when admitted to the hospital will be \$1,484 in 2021, an increase of \$76 from \$1,408 in 2020. The Part A inpatient hospital deductible covers beneficiaries' share of costs for the first 60 days of Medicare-covered inpatient hospital care in a benefit period. In 2021, beneficiaries must pay a coinsurance amount of \$371 per day for the 61<sup>st</sup> through 90<sup>th</sup> day of a hospitalization (\$352 in 2020) in a benefit period and \$742 per day for lifetime reserve days (\$704 in 2020). For beneficiaries in skilled nursing facilities, the daily coinsurance for days 21 through 100 of extended care services in a benefit period will be \$185.50 in 2021 (\$176.00 in 2020).

### **Part A Deductible and Coinsurance Amounts for Calendar Years 2020 and 2021 by Type of Cost Sharing**

	2020	2021
Inpatient hospital deductible	\$1,408	\$1,484
Daily coinsurance for 61 <sup>st</sup> –90 <sup>th</sup> Day	\$352	\$371

Daily coinsurance for lifetime reserve days	\$704	\$742
Skilled Nursing Facility coinsurance	\$176.00	\$185.50

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 \$259 in 2021, a \$7 increase from 2020. Certain uninsured aged individuals who have less than 30 quarters of coverage and certain individuals with disabilities who have exhausted other entitlement will pay the full premium, which will be \$471 a month in 2021, a \$13 increase from 2020.

For more information on the 2021 Medicare Parts A and B premiums and deductibles (CMS-8074-N, CMS-8075-N, CMS-8076-N), please visit:

- (CMS-8074-N)- <https://www.federalregister.gov/public-inspection/2020-25024/medicare-program-cy-2021-inpatient-hospital-deductible-and-hospital-and-extended-care-services>
- (CMS-8075-N): <https://www.federalregister.gov/public-inspection/2020-25028/medicare-program-cy-2021-part-a-premiums-for-the-uninsured-aged-and-for-certain-disabled-individuals>
- (CMS-8076-N): <https://www.federalregister.gov/public-inspection/2020-25029/medicare-program-medicare-part-b-monthly-actuarial-rates-premium-rates-and-annual-deductible>

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