

2022 Medicare Premium and Deductible Estimates Announced

The Board of Trustees of Medicare's annual report was published August 31, 2021. It released additional information on Medicare solvency and updated costs.

UNITED STATES, September 6, 2021 /EINPresswire.com/ -- Every year we look forward to reading the Annual Report of the Board of Trustees of the Federal Hospital Insurance and Federal Supplementary Insurance Trust Funds. If you think we are nerds based on that terminology, this report just gives an annual dive into the solvency of Medicare Parts A, B, C and D. It also gives us predictions of things like premiums and cost sharing variables like deductibles, copays, maximum out of pockets or MOOPs, etc. This year's report came out a little later



These are the highest Medicare premium and deductible increases we have seen in 5 years."

Justin Brock

than ones in the past. It was just published August 31st, 2021.

Now as a disclaimer we must always note that these numbers though close aren't always 100% accurate. 2022 Part B premium and deductible as well as the Part D deductible numbers we will share here are not official yet, but the official ones will be released later this year.

Part B

Part B of Medicare is the 80% medical coverage offered by Medicare. It does not cover hospitalization. Its purpose is things like doctors and specialist visits, outpatient treatment like chemotherapy and radiation, surgeries, anesthesia, and so on. Part B's premium typically increases a marginal amount each year to help offset the rising cost of the Medicare program. As part of that agenda Part B also tends to raise cost sharing slightly by increasing the deductible.

Part B Premium

The Part B premium for people who do not qualify for extra help and do not fall in the Income Related Monthly Adjustment Amount or IRMAA category is currently \$148.50 per month. It is estimated to have its highest single year increase since the transition from 2015-2016. This estimation brings it to \$158.50 per month. If someone is getting Part B paid for by Extra Help or Medicaid, that subsidy would likely increase to offset the additional \$10 per month.

Part B Deductible

The Part B deductible in 2021 is \$203. It went up \$5 last year from \$198 in 2020. The estimate again is calling for an unusually high increase of \$14 per year to \$217. The last increase that steep was in the transition from 2016 to 2017. Though these are sharper than normal increases, they are still overwhelmingly modest.

Part D

Part D is the Federal Prescription Drug Program. This program though clunky has filled a void for some time now where there used to be no solid coverage. Their catastrophic limits to prescriptions are much needed.

Part D Deductible

The Part D Deductible threshold can increase annually, and most years it does. From 2020-2021 it went from \$435 to \$445. Keeping in sync with the higher increase trends of Part B variables, the Part D deductible is estimated to increase to \$485 per calendar year. This is a \$40 annually deductible increase. This is probably the one that will produce the most backlash for us as Medicare educators.

Part D Catastrophic Threshold

The Part D Catastrophic Threshold is an important variable that sets the amount of drug expense one would have to incur before they would qualify for catastrophic drug coverage (which covers 95% of the cost of any prescription). In 2021 this figure is \$6,550, but in 2022 it is estimated to increase to \$7,050. This is also a troubling change because drug cost for 19% of our Medicare Aged population are disproportionately out of control.

Conclusion

Medicare premiums and other cost controls must go up, as will the taxes that pay for this system. Our Medicare aged population gets higher every day, and it's an expensive toll on an already strained program. There are a ton of factors as to what has to happen to keep the program solvent, and things like the increase in Part C enrollment and volume of taxpayers in general offset some of the expense increase. Still, premium increases are one factor that gets absorbed by the one group of people that can often not afford much more than they already are.

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