

How Much Does Medicare Cost?

Part A

Part A covers institutional services like hospital stays. If you or your spouse paid Medicare taxes while working, your premium for Part A coverage should be free. People who have to buy Part A will pay up to \$499 per month (2022). Premiums for Part A could go up 10% if you miss the enrollment period once you become eligible.

In addition, you may also pay deductibles or coinsurance depending on the services you need. The 2022 deductible for hospital stays is \$1,556 with no coinsurance payments for the first 60 days of your stay (coinsurance payments begin on day 61).

Part B

Part B covers doctor visits and other types of medical services. Your premium depends on your income. Monthly premiums range from \$170.10 to \$528.30 (2022) as shown in the table below:

If Your Yearly Income in 2020 was		You Pay
File Individual Tax Return	File Joint Tax Return	
\$91,000 or less	\$182,000 or less	\$170.50
above \$91,000 up to \$114,000	above \$182,000 up to \$228,000	\$238.10
above \$114,000 up to \$142,000	above \$228,000 up to \$284,000	\$340.20
above \$142,000 up to \$170,000	above \$284,000 up to \$334,000	\$442.30
above \$170,000 up to \$500,000	above \$334,000 up to \$750,000	\$544.30
Above \$500,000	above \$750,000	\$578.30

Your premium for Part B could increase by up to 10% for each full 12-month period that you could have had Part B, but didn't sign up for it.

In addition to your monthly premiums, in 2022 you pay an annual deductible of \$233 and 20% copayments on doctor and other medical services if the provider accepts assignment.

Part C

Part C (Medicare Advantage) is an alternative way to receive your Medicare benefits. Medicare Advantage plans are private health insurance plans that contract with Medicare. The plans are paid a fixed amount to provide your Medicare benefits. Most Medicare Advantage Plans provide Medicare Part D prescription drug coverage and some may include extra benefits at an additional cost.

You usually pay a monthly premium for the Medicare Advantage Plan in addition to your Part B premium. Each Medicare Advantage Plan can charge different out-of-pocket costs and can have different rules for how you receive services (such as where you receive services, if you need a referral to see a specialist, etc.) They have a yearly cap on how much you pay for Part A and Part B during the year, but the caps can be different between plans. To determine specific costs, you need to review the available Medicare Advantage Plans in your area.

Part D

Part D covers Medicare prescription drug plans that can vary in cost and specific drugs covered. You pay your Part D premium in addition to your Part B premium. Medicare Advantage Plan (Part C) premiums may include an amount for prescription drug coverage. Premiums for Part D coverage could be higher based on your income as shown in the following table:

If Your Yearly Income in 2020 was		You Pay
File Individual Tax Return	File Joint Tax Return	
\$91,000 or less	\$182,000 or less	Your plan premium
above \$91,000 up to \$114,000	above \$182,000 up to \$228,000	\$12.40 + Your Plan Premium
above \$114,000 up to \$142,000	above \$228,000 up to \$284,000	\$32.10 + Your Plan Premium
above \$142,000 up to \$170,000	above \$284,000 up to \$340,000	\$51.70 + Your Plan Premium
above \$170,000 up to \$500,000	above \$340,000 up to \$750,000	\$71.30 + Your Plan Premium
Above \$500,000	above \$750,000	\$77.90 + Your Plan Premium

If you don't sign up for a Medicare prescription drug plan when you first become eligible and you don't have other creditable prescription drug coverage, you will probably have to pay a late enrollment penalty in the form of higher premiums.

Premiums, yearly deductibles and copayments can vary by plan. For specific drug plan costs, go to the Medicare Plan Finder at www.medicare.gov/find-a-plan.

If you're in a high-income bracket, you will pay higher premiums for both Medicare Part B and Part D prescription plans. In addition, if you make over \$200,000 (individual), or \$250,000 (couple), you will be subject to the 0.9% Medicare payroll tax increase and the 3.8% surtax on investment income.

Medicare Supplement Insurance (Medigap)

Medicare Supplement Insurance policies, sold by private companies, can help you pay some of your health care costs that Original Medicare doesn't cover, like deductibles and copayments. Some of these policies also offer coverage for services not covered by Original Medicare. If you choose a Medicare Advantage Plan (Part C) instead of the original Medicare (Parts A and B), you may not purchase a Medigap policy. (It's illegal for anyone to sell you a Medigap policy while you are enrolled in Medicare Advantage, unless you are switching back to Original Medicare.)

Insurance companies can offer only standardized Medigap policies, usually identified by the letters A through N. All policies offer the same basic benefits and some offer additional benefits. Different insurance companies can charge different premiums for the same policy.

Medigap Plans

How to read the chart:

If a check mark appears in a column of this chart, the Medigap policy covers 100% of the described benefit. If a row lists a percentage, the policy covers that percentage of the described benefit. If a row is blank, the policy doesn't cover that benefit. Note: The Medigap policy covers coinsurance only after you have paid the deductible (unless the Medigap policy also covers the deductible). (Source: www.medicare.gov)

Medigap Benefits	Medigap Plans									
	A	B	C	D	F*	G*	K	L	M	N
Medicare Part A Coinsurance and hospital costs up to an additional 365 days after Medicare benefits are used up	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Medicare Part B Coinsurance or Copayment	✓	✓	✓	✓	✓	✓	50%	75%	✓	✓ ***
Blood (First 3 Pints)	✓	✓	✓	✓	✓	✓	50%	75%	✓	✓
Part A Hospice Care Coinsurance or Copayment	✓	✓	✓	✓	✓	✓	50%	75%	✓	✓
Skilled Nursing Facility Care Coinsurance			✓	✓	✓	✓	50%	75%	✓	✓
Medicare Part A Deductible		✓	✓	✓	✓	✓	50%	75%	50%	✓
Medicare Part B Deductible			✓		✓					
Medicare Part B Excess Charges					✓	✓				
Foreign Travel Emergency (Up to Plan Limits)			80%	80%	80%	80%			80%	80%

Out-of-Pocket Limit**	
\$6,620	\$3,310

*Plan F and G also offer a high-deductible plan. If you choose this option, this means you must pay for Medicare-covered costs up to the deductible amount of \$2,490 in 2022 before your Medigap plan pays anything.

**After you meet your out-of-pocket yearly limit and your yearly Part B deductible, the Medigap plan pays 100% of covered services for the rest of the calendar year.

***Plan N pays 100% of the Part B coinsurance, except for a copayment of up to \$20 for some office visits and up to a \$50 copayment for emergency room visits that don't result in an inpatient admission.