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2021 Medicare Part B Premiums Remain Steady

Today, the Centers for Medicare & Medicaid Services (CMS) announced the 2021 monthly Medicare Parts A and B premiums, deductibles, and coinsurance amounts in which the Medicare Part B monthly premium remains steady. This news comes as Medicare Open Enrollment started on October 15, 2020 running through December 7, 2020, and follows the announcement that Medicare Advantage (or private Medicare health plans) and Part D prescription drug plan premiums are at historic lows, with hundreds of Medicare Advantage and Part D plans now offering \$35 monthly co-pays for insulin starting in January 2021.

“With the 2021 Medicare Part B premium information now available, I encourage everyone with Medicare to take time over the next four weeks to review their options during Medicare Open Enrollment,” said CMS Administrator Seema Verma. “Thanks to President Trump’s leadership, Medicare Part B premiums remain steady and seniors have more plans than ever to choose from, many new benefits, and historically low Medicare Advantage and Part D premiums.”

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.

The standard monthly premium for Medicare Part B enrollees will be \$148.50 in 2021, an increase of \$3.90 from \$144.60 in 2020. Recent legislation signed by President Trump significantly dampens the 2021 Medicare Part B premium increase that would have occurred given the estimated growth in Medicare spending next year. Medicare spending is estimated to grow due to people seeking care they may have delayed during the COVID-19 public health emergency, availability of more COVID-19 treatments, and availability of COVID-19 vaccines (for which CMS recently announced that there would be no out-of-pocket costs for seniors).

CMS also announced that the annual deductible for Medicare Part B beneficiaries is \$203 in 2021, an increase of \$5 from \$198 in 2020.

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 pay a Part A premium since they have at least 40 quarters of Medicare-covered employment.

The Medicare Part A inpatient deductible that beneficiaries will pay when admitted to the hospital is \$1,484 in 2021, an increase of \$76 from \$1,408 in 2020.

Medicare Open Enrollment

Medicare beneficiaries can choose to enroll in fee-for-service Original Medicare (Parts A and B) or can select a private Medicare Advantage plan to receive their Medicare benefits. Premiums and deductibles for Medicare Advantage and Medicare Prescription Drug plans (Medicare Part D) are already finalized and are unaffected by this announcement.

During the ongoing Medicare Open Enrollment – which began on October 15, 2020 and ends December 7, 2020, more than 60 million Medicare beneficiaries can compare coverage options like Original Medicare (Part A and Part B) and Medicare Advantage, and choose health and prescription drug plans for 2021. Medicare health and drug plan costs and covered benefits can change from year-to-year. CMS urges Medicare beneficiaries to review their coverage choices and decide on the options that best meet their health needs. Over the past three years, CMS has made it easier for seniors to compare and enroll in Medicare coverage. The redesigned Medicare Plan Finder makes it easier for beneficiaries to:

- Compare pricing between Original Medicare, Medicare Advantage plans, Medicare prescription drug plans (Medicare Part D), and Medicare Supplemental Insurance (Medigap) policies;
- Compare coverage options on their smartphones and tablets;
- Compare up to three Medicare Part D drug plans or three Medicare Advantage plans side-by-side;
- Get plan costs and benefits, including which Medicare Advantage plans offer extra benefits;
- Build a personal drug list and find Medicare Part D prescription drug coverage that best meets their needs.

Highlights for 2021 Open Enrollment include:

- A 34 percent decrease in average monthly premiums for Medicare Advantage plans since 2017. This is the lowest average monthly premium since 2007. Beneficiaries in some states, including Alabama, Nevada, Michigan, and Kentucky, will see decreases of over 50 percent in average Medicare Advantage premiums.
- More than 4,800 Medicare Advantage plans are offered for 2021, compared to about 2,700 in 2017. Similarly, more Medicare Part D plans are available, and the average basic Part D premium has dropped 12 percent since 2017.
- Medicare beneficiaries can join a prescription drug plan that will offer many types of insulin at a maximum copayment of \$35 for a 30-day supply. More than 1,600 Medicare Advantage and Part D prescription drug plans are participating in the Part D Senior

Savings Model for 2021. People who enroll in a participating plan could save up to an estimated \$446 a year in out-of-pocket costs on insulin. CMS has added a new “Insulin Savings” filter on Medicare Plan Finder to display plans that will offer the capped out-of-pocket costs for insulin. Beneficiaries can use the Medicare Plan Finder to view plan options and look for a participating plan in their area that covers their insulin at no more than a \$35 monthly copay.

- Free, personalized counseling on Medicare options is also available through the nonprofit [State Health Insurance Assistance Program](#), or by calling 1-800-MEDICARE (1-800-633-4227). TTY users can call 1-877-486-2048.

For a fact sheet on the 2021 Medicare Parts A & B premiums and deductibles, please visit: <https://www.cms.gov/newsroom/fact-sheets/2021-medicare-parts-b-premiums-and-deductibles>

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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