

Some Medicare Recipients Will See A Rise in Premiums in 2010

By Denice A. Gierach

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The Medicare program has announced its 2010 premium and coinsurance rates. Due to an anticipated increase in medical costs, there will be an increase in Medicare-related premiums, although not all recipients will have to pay the new rates. Over the last few years, there have been changes in rate-setting by Medicare. Now, not every Medicare beneficiary can expect to pay the same portion of his or her medical, as in the past. Instead, there is a confusing system of co-payments, deductibles and premiums, which are even more confusing.

As Congress limited the increase that any Medicare recipient would have to pay to their Social Security cost of living adjustment and Social Security announced two months ago that there will not be any COLA increase in 2010, most recipients will not pay any additional amount in Medicare premiums—these will continue to be \$96.40 per month for Part B, rather than the higher \$110.50 per month, as set by Medicare.



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There are certain people who will pay a higher rate per month. The first group that will see a higher rate are those who have been receiving Medicare, but have not had Part B premiums deducted from their Social Security checks. These people will be charged the higher rate. In addition, if you are a new Medicare beneficiary in 2010, you will also be paying the higher rate per month. Wealthy beneficiaries are also not protected from such increases. If a single person makes more than \$85,000 per year or a married couple more than \$170,000 per year, they will see an increase in their Part B premiums.

Besides being charged a higher premium for 2010 Part B premiums, wealthy individuals will also have to pay higher premiums based on their income levels. For the “wealthiest” Medicare beneficiaries—those whose individual income is over \$214,000 or couples whose income is over \$428,000, the new Part B premium will be \$353.60 per month. The income is based upon the beneficiary’s 2008 income tax return. If income has dropped from that date, it is possible to request a revision based upon 2009’s income tax return.

If Congress passes anything on health care, there may be more changes still coming.

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