



UNDERSTANDING HEALTH INSURANCE

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MEDICARE CHANGES FOR 2012

Depending on when your Part B Medicare became effective, your premium may be going up by approximately \$3.50 or it may be coming down by \$15.50. The new Part B premium will be \$99.90 if your modified adjusted gross income is less than or equal to \$85,000 a year if you file an individual tax return and if you file a joint tax return your income must be less than or equal to \$170,000. If you are currently paying \$115.40, your premium will go down to \$99.90. The premium goes up if your income is higher than the levels stated above.

The calendar year deductible for Part B is actually being reduced by \$22. The Part B deductible is currently \$162 and it is going down to \$140. This is the first time that I am seeing a decrease in the deductible! Part B, as many of you know, covers your medical expenses such as physician services as well as laboratory and the rental of durable medical equipment.

The Part A deductible which you pay when you are admitted to the hospital is going up \$24 from \$1132 to \$1156. If you are out of the hospital for two months or more and get admitted again, you pay this deductible again.

If you qualify for Medicare to cover a skilled nursing facility stay, Medicare will pay the bill in full for the first 20 days. If you still qualify for coverage after 20 days, Medicare will pay all but \$144.50 a day to day 100. After that you are on your own, unless you have long term care insurance.

As stated in the first paragraph, the premium for Medicare Part B is based on income. So is the premium for Part D, the Medicare prescription drug coverage program. You will pay a monthly premium to the company from whom you purchase your Part D plan, i.e., United HealthCare, Silver Script, Humana, to name only a few.

In addition, if a person files a single tax return and his/her modified adjusted gross income is greater than or equal to \$85,000 the additional cost for Part D is \$11.60. This applies to a married couple filing jointly if their modified adjusted gross income is equal to or greater than \$170,000. This additional sum of \$11.60 is deducted from your social security check and goes to the government, not the company from whom you purchased your Part D plan. This "surcharge" goes up as your income goes up.

Irene Card & Betsy Chandler are licensed insurance professionals working at MIC Insurance Services, a health insurance services company. If you have questions relative to this column or other related topics, we invite you to call (973) 492-2828. You may also access our library of past columns on our web site: www.micinsurance.com.

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