



POLICY CHANGE ALERT #16-006F

TITLE: COLA – MEDICARE COST CHANGES

ISSUE DATE: 01/25/2016

EFFECTIVE DATE: 01/01/2016

Summary

Programs Impacted: All programs

This Policy Change Alert is being issued to inform staff that effective January 01, 2016, the following information has been reported by the Social Security Administration (SSA):

- SSA and SSI gross benefit amounts have not changed.
- The Medicare Part A premiums have changed to the following:
\$226 per month when the participant has 30 to 39 quarters of work history
\$411 per month when the participant has less than 30 quarters of work history
- The deductible for Medicare Part A beneficiaries for inpatient hospital care has changed to \$1288 per benefit period. The daily coinsurance amounts for inpatient hospital care have changed to the following:
First 60 calendar days, covered by the \$1288 deductible
61 – 90 calendar days, \$322 per day
Over 90 calendar days, \$644 per day
- The standard premium for Medicare Part B has changed to \$121.80.

NOTE Most people who get Social Security benefits will pay the same Part B premium amount as they paid in 2015 because their Social Security benefits did not change. Only people with the following circumstances will have a higher Part B premium in 2016:

- Enroll in Part B for the first time in 2016.
 - Not currently receiving Social Security benefits.
 - Are directly billed for Part B premiums (not deducted from SSA benefit).
 - The Medicaid program (AHCCCS) is paying the premiums (the state will pay the higher amount of \$121.80).
 - The modified adjusted gross income reported on federal tax returns from 2 years ago is above a certain amount.
- The annual deductible for Medicare Part B changed to \$166.

*******IMPORTANT*******
Staff must review the Interface Inquiry (ININ) screens in AZTECS for current SSA benefit and Medicare premium amounts.



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Revision Details

The FAA Policy Manual will be updated to include the information in this Policy Change Alert during one of the next bimonthly revisions. Until then, an alert will be placed in each revised section with a link to this document as a reminder of the policy change.

POLICY REFERENCE: FAA6.S06 – MEDICARE AMOUNTS

Effective January 01, 2016

The premiums for **Medicare Part A** are as follows:

- **No premium when the participant has 40 quarters of work history**
- **\$226 per month when the participant has 30 to 39 quarters of work history**
- **\$411 per month when the participant has fewer than 30 quarters of work history**

For inpatient hospital care there is a \$1288 deductible per [benefit period](#). The Medicare Part A beneficiary's daily coinsurance amounts for inpatient hospital care are as follows:

- **First 60 calendar days, covered by the \$1288 deductible**
- **61 – 90 calendar days, \$322 per day**
- **Over 90 calendar days, \$644 per day**

The standard premium and deductible for Medicare Part B are as follows:

- **\$121.80 standard monthly premium**
- **\$166 yearly deductible**

EXCEPTION

Medicare Part B beneficiaries with income higher than \$85,000, as reported on their income tax return, may pay a higher premium.

Staff must review the Interface Inquiry (ININ) screens in AZTECS for the participant's current Medicare premium.

Please contact the FAA Policy Support Team by phone at (602) 774-5523 or by e-mail at FAAPolicyMgmt@azdes.gov with any questions or concerns regarding this broadcast.

Please consider the environment before printing this broadcast.

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