Health & Retirement Services of Illinois
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OUR NEWS LETTER

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In Our Newsletter

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2021 Medicare Parts A & B Premiums and Deductibles

Nov 06, 2020

On November 6, 2020, the Centers for Medicare & Medicaid Services (CMS) released the 2021 premiums, deductibles, and coinsurance amounts for the Medicare Part A and Part B programs.

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.

Each year the Medicare premiums, deductibles, and coinsurance rates are adjusted according to the Social Security Act. For 2021, the Medicare Part B monthly premiums and the annual deductible are higher than the 2020 amounts. The standard monthly premium for Medicare Part B enrollees will be $148.50 for 2021, an increase of $3.90 from $144.60 in 2020. The annual deductible for all Medicare Part B beneficiaries is $203 in 2021, an increase of $5 from the annual deductible of $198 in 2020.

The Part B premiums and deductible reflect the provisions of the Continuing Appropriations Act, 2021 and Other Extensions Act (H.R. 8337).

CMS is committed to empowering beneficiaries with the information they need to make informed decisions about their Medicare coverage options, including providing new tools to help them make those decisions through the eMedicare initiative. In addition to the recently released premiums and cost sharing information for 2021 Medicare Advantage and Part D plans, we are releasing the premiums and cost sharing information for Fee-for-Service Medicare, so beneficiaries understand their options for receiving Medicare benefits. As previously announced, average 2021 premiums for Medicare Advantage plans are expected to decline 34.2 percent from 2017 while plan choices, benefits, and enrollment continue to increase. The Medicare Advantage average monthly premium will be the lowest in fourteen years (since 2007). Premiums and deductibles for Medicare Advantage and Medicare Part D Prescription Drug plans are already finalized and are unaffected by this announcement.

Medicare Part B Income-Related Monthly Adjustment Amounts

Since 2007, a beneficiary's Part B monthly premium is based on his or her income. These income-related monthly adjustment amounts affect roughly 7 percent of people with Medicare Part B. The 2021 Part B total premiums for high-income beneficiaries are shown in the following table:

Beneficiaries who file individual tax returns with income:	Beneficiaries who file joint tax returns with income:	Income-related monthly adjustment amount	Total monthly premium amount
Less than or equal to $88,000	Less than or equal to $176,000	$0.00	$148.50
Greater than $88,000 and less than or equal to $111,000	Greater than $176,000 and less than or equal to $222,000	59.40	207.90
Greater than $111,000 and less than or equal to $138,000	Greater than $222,000 and less than or equal to $276,000	148.50	297.00
Greater than $138,000 and less than or equal to $165,000	Greater than $276,000 and less than or equal to $330,000	237.60	386.10
Greater than $165,000 and less than $500,000	Greater than $330,000 and less than $750,000	326.70	475.20
Greater than or equal to $500,000	Greater than or equal to $750,000	356.40	504.90

Premiums for high-income beneficiaries who are married and lived with their spouse at any time during the taxable year, but file a separate return, are as follows:

Beneficiaries who are married and lived with their spouses at any time during the year, but who file separate tax returns from their spouses:	Income-related monthly adjustment amount	Total monthly premium amount
Less than or equal to $88,000	$0.00	$148.50
Greater than $88,000 and less than $412,000	326.70	475.20
Greater than or equal to $412,000	356.40	504.90

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

The Medicare Part A inpatient hospital deductible that beneficiaries will pay when admitted to the hospital will be $1,484 in 2021, an increase of $76 from $1,408 in 2020. The Part A inpatient hospital deductible covers beneficiaries' share of costs for the first 60 days of Medicare-covered inpatient hospital care in a benefit period. In 2021, beneficiaries must pay a coinsurance amount of $371 per day for the 61st through 90th day of a hospitalization ($352 in 2020) in a benefit period and $742 per day for lifetime reserve days ($704 in 2020). For beneficiaries in skilled nursing facilities, the daily coinsurance for days 21 through 100 of extended care services in a benefit period will be $185.50 in 2021 ($176.00 in 2020).

Part A Deductible and Coinsurance Amounts for Calendar Years 2020 and 2021
by Type of Cost Sharing

	2020	2021
Inpatient hospital deductible	$1,408	$1,484
Daily coinsurance for 61st–90th Day	$352	$371
Daily coinsurance for lifetime reserve days	$704	$742

Skilled Nursing Facility coinsurance	$176.00	$185.50

Enrollees age 65 and over who have fewer than 40 quarters of coverage and certain persons with disabilities pay a monthly premium in order to voluntarily enroll in Medicare Part A. Individuals who had at least 30 quarters of coverage or were married to someone with at least 30 quarters of coverage may buy into Part A at a reduced monthly premium rate, which will be $259 in 2021, a $7 increase from 2020. Certain uninsured aged individuals who have less than 30 quarters of coverage and certain individuals with disabilities who have exhausted other entitlement will pay the full premium, which will be $471 a month in 2021, a $13 increase from 2020.

Prevent the spread of the flu

It's National Influenza Vaccination Week! **If you haven't gotten your flu shot yet, now's the time to do so.** It's the most important step you can take to protect yourself and your loved ones from the flu.

Flu shots

There are many places you can get your flu shot – don't wait.

People who are 65 and older are at high risk of having serious health complications from the flu. Getting the flu shot protects you from getting the flu and keeps you from spreading it to others.

Medicare Part B (Medical Insurance) covers one flu shot per flu season.

Your costs in Original Medicare

You pay nothing for a flu shot if your doctor or other qualified health care provider accepts assignment for giving the shot.

Things to know

•Don't wait to get the flu shot. You can get the flu shot many places, including your doctor's office and your local pharmacy — contact them for details. If you have a Medicare Advantage Plan, contact your plan — most places accept Medicare Advantage Plans.

•Stay safe. Your doctors and pharmacies are working hard to keep you safe and socially distanced. Remember to wear your mask when you get your shot.

Family offices enter 'new frontier' amid pandemic

by Alicja Grzadkowska 09 Dec 2020

Like many parts of the insurance space, the new remote workplace has had an impact on the world of family offices and their advisors in the US. During a panel at the Private Risk Management Association's (PRMA) virtual summit this year, family office experts came together to discuss how advisors can maintain relationships with their clients and other advisors in this environment, how COVID-19 has affected the focus areas for family offices, and what families of wealth value in their advisors as the pandemic continues to unfold.

"Much of the insurance brokerage world was set to adapt [to this new normal]," said Shirley Gordon, director, family office and wealth management for G2 Insurance Services. "Family offices, whether they were single or multi-family offices … not so much. Because of the sensitive nature of their work, the families they served and how they liked the family office to be managed – most work only in a brick-and-mortar work environment – their pivot was more difficult."

These offices had to figure out how to communicate with their team members and keep them supported, all while still serving all of the client and business needs that they had to take care of every day, as well as setting up remote work environments where privacy and security were maintained. In fact, cybersecurity has been one of the biggest concerns of family offices. Ensuring that families and employees were working remotely without the risk of their data and systems being compromised had to be addressed quickly, and it appears that this now will be part of normal life for most advisory professions moving forward.

Yet, although family offices have had to adapt quickly to the short-term impacts of the pandemic, one panellist explained why they're actually better prepared than other businesses when planning for the long-term effects of the coronavirus.

"Family offices are generational – they think and they plan long-term – so they are more prepared, in my opinion, than other businesses who don't necessarily have that strategy or that culture in their organizations," said Patricia Soldano, president of Family Enterprise USA and president of the Policy and Taxation Group. "Family offices tend to be prepared for uncertainty and disruption, so they have plans in place for many events … In a recent survey, 55% of family offices were expecting a market downturn in 2020, and half had begun shifting their investment strategies to reduce the risk. With the outbreak of COVID-19, their concerns and actions have been validated and their preparation was helpful."

Given their anticipation of a market downturn and the volatility seen in 2020, 42% of family offices have already begun increasing their reserves, regardless of the pandemic. Now, 60% of offices expect a significantly better market situation by March 2021, noted Soldano.

Alongside this optimistic outlook, many family businesses have to face concerns about the return-to-work environment, which initially arose when government-mandated shutdowns started to ease in the summer and have now come up again amid the second wave of the coronavirus.

“The return-to-work question has been very troublesome,” said Seth Spreadbury, national family office practice leader for Marsh & McLennan Agency, pointing to some businesses’ concerns about their employees being exposed on their way to work via public transit, and how to manage that risk, as well as instituting plans for adapting their offices with appropriate signage, personal protective equipment, including masks and hand sanitizer, and a myriad of other concerns.

Other top of mind thoughts for family offices that have come up revolve around, “‘We want to be sympathetic to our employees that are concerned, but it is an employment at-will environment, so if we do have to draw a line in the sand as employers, we’re able to do so,’” said Spreadbury. “But most of our conversations are more sympathetic, that if someone’s afraid to return to work, how do we make exceptions to our return-to-work policy?”

Some of the changes brought on by the pandemic will undoubtedly be here to stay. As a result, family offices need to rethink how they have provided services to clients in the past, said Soldano, as she provided guidance for advisors.

“Look even harder at the needs of your clients, and what needs they now have versus pre-pandemic,” she said. “Are these needs and services more extensive, or could they be less than extensive? How has the business operation changed? You need to consider everything – don’t assume anything is the same, and make sure you have that in-depth conversation with your client about how you might be providing them the first opportunity to really sit down and think hard about how their world is changing.”

COVID-19 delays PT for many injured workers – report

by Ryan Smith 09 Dec 2020

MedRisk, the largest managed care organization dedicated to the physical rehabilitation of injured workers, has published its 2021 Outlook, an industry trends report that prepares workers' compensation payers for managing the effect COVID-19 has had on musculoskeletal systems, recaps 2020 legislative and regulatory actions, and highlights recent research.

"Researchers predicted it would take about 45 weeks to catch up with a backlog of surgeries and other medical procedures postponed because of COVID," said MedRisk COO Mary O'Donoghue. "Our data reflects this with significant fluctuation in post-surgical PT [physical therapy] referrals as states closed and reopened, and this could happen again as cases spike."

Some workers' compensation patients did not start or continue physical therapy during the pandemic, MedRisk found. Soft-tissue injuries that do not receive physical therapy treatment tend to have higher medical and indemnity costs than similar claims where PT is not delayed.

MedRisk said it moved quickly to facilitate timely treatment during COVID-19 restrictions, consulting its International Scientific Advisory Board to incorporate its metrics with CDC guidelines in order to help adjusters and patients decide if in-clinic care or telerehabilitation was most appropriate for their case.

"We also expanded hours and the type of cases treated via telerehab, working closely with adjusters and network providers on necessary transitions," O'Donoghue said. "We saw excellent outcomes and high levels of patient satisfaction."

MedRisk's report also showed a significant increase in anxiety and depression among injured workers, which can delay recovery. That data lines up with CDC and American Medical Association data showing a spike in depression, anxiety and substance abuse during 2020.

"Insurers, TPAs and employers need to prepare for the long-term impact of COVID on the duration of care and total medical costs," O'Donoghue said. "Our new predictive analytics platform and proactive interventions can help identify the high-risk patients and reduce total claims cost – not just PT."

Survey says: Health Insurance Satisfaction Highest with Medicare

By **Insurance Forums Staff** November 9, 2020

In the midst of Medicare open enrollment, which runs from October 15 to December 7, 2020, Insure.com researchers find consumers with Medicare health insurance coverage report highest satisfaction with their plan, and those with individual health insurance indicate the lowest satisfaction scores.

Individual health insurance also has its own open enrollment period from Nov. 1 to Dec. 15 in most states.

In the study of 1,000 people, Health insurance satisfaction index: Medicare wins top plan in member survey, Insure.com questioned participants about health plan costs, deductibles, service breadth, access to providers, hospitals and customer service communication. Respondents graded their health plans using a five-star rating system, with five being the highest satisfaction. The percentage of consumers showing high satisfaction in overall ratings (giving four or five stars) was as follows:

- Medicare: 78%
- Medicaid: 62%
- From an employer: 60%
- Individual insurance or ACA marketplace: 40%

Data shows that Medicare beneficiaries are particularly happy with:

- Claims payments and provider networks (both received at least 80% five- and four-star ratings)
- Costs (71% combined five-and four-star ratings)

At the other end of the scale, individual health plans received low customer satisfaction, with 35% of beneficiaries scoring costs and deductibles with 1 or 2 stars.

Insure.com also asked survey respondents about whether they lost health insurance this year.

“Unfortunately, 11% of respondents say they lost health insurance coverage due to job layoffs or reduced hours during this calendar year,” reports Les Masterson, managing editor for Insure.com. “But only 9% of those who lost coverage went without health insurance. Many

(35%) of those who temporarily lost health insurance were able to gain coverage through a spouse's health plan and another 27% were able to secure protection through an Individual or Affordable Care Act plan."

While most respondents indicate no change in healthcare utilization, many people appear to be using fewer health care services, in response to the COVID-19 pandemic:

- 35% say they used fewer healthcare services in 2020 than in prior years
- 44% say they are using the same volume of services
- 21% claim to be using more healthcare services

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