



# Medicare Part B Premium Increase Lower Than Expected

**Officials say it's offset by rise in cost-of-living adjustment in Social Security for seniors.**

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*HealthDay Reporter*



THURSDAY, Oct. 27 (HealthDay News) -- The premium new Medicare patients will pay for part B benefits in 2012 will be less than expected and the Part B deductible will also be \$22 lower, U.S. health officials said Thursday.

However, for those already on Medicare that premium will represent an increase. Since 2008, most people with Medicare have paid a monthly premium of \$96.40, because a law froze Part B premiums in years when there was no cost-of-living increase in Social Security. In 2012, those people will pay \$99.90.

"After two years of no increases in Medicare Part B premiums, premiums for most beneficiaries will go up next year, just \$3.50 a month, far less than the \$10 increase that was forecasted," Kathleen Sebelius, Secretary of the U.S. Department of Health and Human Services, said during a noon news conference.

"That means that Part B premiums in Medicare have risen just over 3 percent in the last four years. That's pretty remarkable," she said.

The deductible will also drop down to \$140. Part B is the part of Medicare that covers parts of doctor visits, outpatient care, some medical equipment and some preventive care.

The 2012 premium is \$15.50 less than 2011 premium of \$115.40 paid by people entering Medicare and those already in Medicare with higher incomes.

The premium increase is also offset by an increase in a Social Security cost-of-living adjustment, according to the agency.

"Since we have kept next year's premium increase lower than the cost-of-living adjustment to

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seniors' Social Security benefits, the typical retired worker will have nearly \$40 more per month in their pocket next year," Sebelius said.

The average Social Security increase will be \$43 a month, far larger than the \$3.50 premium increase.

Medicare Part A benefits, which cover hospitals, nursing homes and some home health care, will go up by \$1, to \$451 a month, in 2012. The deductible is also increasing to \$1,156 from \$1,132 -- a \$24 increase.

Sebelius added that Medicare is stronger due to the Affordable Care Act. In addition, she noted the people who opt for Medicare Advantage will pay 4 percent less in 2012 than they did in 2011.

The premium for Medicare Part D, the prescription drug program, will remain unchanged, she said. Also people who go over the allotted benefit and fall into the so-called doughnut hole will get a 50 percent discount on covered brand name drugs. "That's real money back in peoples' pockets," Sebelius said.

"Already nearly 1.8 million Americans have saved almost \$1 billion with these discounts last year and they will be available again next year as we work toward 2020 when we fully close the doughnut hole," she said.

The open enrollment period for Medicare started Oct. 15 and closes on Dec. 7.

### **More information**

For more information on Medicare, visit the [Medicare.gov](http://www.Medicare.gov).

(SOURCES: Oct. 27, 2011, teleconference with: Kathleen Sebelius, Secretary, U.S. Department of Health and Human Services )

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