



CMA Weekly Alert – October 4, 2007

PROGRAM UPDATES: QI EXTENDED AND MEDICARE PREMIUMS AND DEDUCTIBLES ANNOUNCED FOR 2008

Qualified Individual (QI) Program Extended

The President has signed legislation that will continue the Qualified Individual (QI) program through the end of 2007. The President is expected to sign the legislation. This will assure the continued payment of Part B premiums for the approximately 1.5 million people who receive QI benefits. The Center for Medicare Advocacy is working with many other organizations for the passage of legislation, before the end of the year, which would make the QI program permanent, rather than subject to periodic sunset provisions. The QI benefit is doubly valuable to those who are eligible, as it pays the Part B premium (currently \$93.50/month) and also entitles the beneficiary to the full Part D low income subsidy.

Cost-Sharing for Part A and Part B

On October 1, 2008 the Centers for Medicare & Medicaid Services (CMS) announced Part A and Part B premiums and deductibles for 2008.¹

Hospital Deductible: \$1,024 / benefit period

Hospital Coinsurance:

- Days 0-60: \$0
- Days 61-90: \$256 / day
- Days 91-150: \$512 / day

Skilled Nursing Facility Coinsurance

- Days 0-20: \$0
- Days 21-100: \$128 / day

Part A Premium (for voluntary enrollees only)

- With 30-39 quarters of Social Security coverage: \$233 / month
- With 29 or fewer quarters of Social Security coverage: \$423 / month

Part B

- Deductible: \$135 / year
- Standard Premium: \$96.40 / month

¹ CMS Announces Medicare Premiums, Deductibles for 2008 (Oct. 1, 2007), <http://www.cms.hhs.gov/apps/media/press/factsheet.asp?Counter=2488&intNumPerPage=10&checkDate=&checkKey=&srchType=1&numDays=3500&srchOpt=0&srchData=&srchOpt=0&srchData=&keywordType=All&chkNewsType=6&intPage=&showAll=&pYear=&year=&desc=&cboOrder=date>

Part B Income-Related Premium

Beneficiaries who file an individual tax return with income:	Beneficiaries who file a joint tax return with income:	Income-related monthly adjustment amount	Total monthly premium amount
Less than or equal to \$82,000	Less than or equal to \$164,000	\$0.00	\$96.40
Greater than \$82,000 and less than or equal to \$102,000	Greater than \$164,000 and less than or equal to \$204,000	\$25.80	\$122.20
Greater than \$102,000 and less than or equal to \$153,000	Greater than \$204,000 and less than or equal to \$306,000	\$64.50	\$160.90
Greater than \$153,000 and less than or equal to \$205,000	Greater than \$306,000 and less than or equal to \$410,000	\$103.30	\$199.70
Greater than \$205,000	Greater than \$410,000	\$142.90	\$238.40

In addition, the monthly premium rates to be paid by beneficiaries who are married, but file a separate return from their spouse and lived with their spouse at some time during the taxable year are:

Beneficiaries who are married but file a separate tax return from their spouse:	Income-related monthly adjustment amount	Total monthly premium amount
Less than or equal to \$82,000	\$0.00	\$96.40
Greater than \$82,000 and less than or equal to \$123,000	\$103.30	\$199.70
Greater than \$123,000	\$142.00	\$238.40

Medicare Advantage Eligibility

- Must be enrolled in Medicare Parts A & B; enrollees are still in the Medicare program,
- Must continue to pay the Part B premium (\$96.40 / month in 2008),
- Must live in the plan's service area,
- Must not have end-stage renal disease (ESRD) at time of enrollment.

Standard Part D Cost-Sharing for 2008

On April 2, 2008 CMS issued information about Part D cost-sharing for 2008:²

Base Beneficiary Premium	\$27.93
Deductible	\$275.00
Initial Coverage Limit	\$2,510.00
Out-of-pocket Threshold	\$4,050.00
Total Covered Part D Drugs to Get to Catastrophic Limit	\$5,726.25
Catastrophic cost-sharing: Generic/ Preferred Drug	\$2.25
Other	\$5.60
Low-Income Subsidy Co-Payments (LIS)	
Full Benefit Dual Eligibles w/incomes ≤ 100% Federal Poverty Level	
Generic/Preferred Drugs	\$1.05
Other	\$3.10
Above Catastrophic Limit	\$0.00
Full Benefit Duals with Incomes	
>100% Federal Poverty Level & Other <i>Full-Subsidy</i> Eligible Beneficiaries	
Generic/preferred drugs	\$2.25
Other	\$5.60
Above Catastrophic Limit	\$0.00
Partial Subsidy Eligible Beneficiaries	
Deductible	\$56.00
Co-insurance to ICL	15%
Generics above catastrophic limit	\$2.25
Others above catastrophic limit	\$5.60

CMS has also announced the elimination of the 2008 late enrollment penalty for any beneficiary who qualifies for the low-income subsidy and who enrolls in a drug plan through December 31, 2008.

For more information, contact attorney Vicki Gottlich (vgottlich@medicareadvocacy.org) in the Center for Medicare Advocacy's Washington, DC office at (202) 216-0028.

² <http://www.cms.hhs.gov/MedicareAdvtgSpecRateStats/downloads/PartDAnnouncement2008.pdf>