

Anchin Alert

Anchin, Block & Anchin LLP
Accountants and Advisors

December 2, 2015

Medicare Changes for 2016: What You Need to Know

The Centers for Medicare & Medicaid Services just released 2016 Medicare premium, co-pay and deductible rates.

For most participants already receiving Social Security Benefits in 2015, the 2016 basic monthly Part B (Medical) premium will remain ["held harmless"] at \$104.90 because there was no increase in Social Security benefits from 2015 to 2016. An increase in Part B premiums cannot exceed the increase in Social Security benefits.

Current Social Security beneficiaries with 2014 modified adjusted gross incomes exceeding \$85,000 (single/separate filing status) or \$170,000 (joint filing status) will pay monthly premiums generally ranging from \$170.50 to \$389.80 in 2016 (previously, \$146.90 to \$335.70).

For participants who 1) started paying Part B premiums before 2016 but are not currently receiving Social Security benefits or 2) will start paying Part B premiums in 2016, the basic monthly premium will be \$121.80—a 16.1% increase from 2015. [Based on an earlier report from the trustees of Part A (Hospitalization) and Part B, commentators were predicting a whopping 52% increase in Part B premiums which are statutorily required to cover 25% of Part B costs. The recent passage of the Bipartisan Budget Act of 2015 mitigated the expected increase.]

These participants with 2014 modified adjusted gross incomes exceeding \$85,000 (single/separate filing) or \$170,000 (joint filing status) will generally pay monthly premiums ranging from \$170.50 to \$389.80.

For a complete summary of the 2016 Medicare-related changes, click on the following link:

<https://www.medicare.gov/your-medicare-costs/costs-at-a-glance/costs-at-a-glance.html#collapse-4809>

If you have any questions, contact your Anchin relationship partner.



Anchin, Block & Anchin LLP
Accountants and Advisors
1375 Broadway, New York, NY 10018
212.840.3456 • www.anchin.com



Anchin Alert, Copyright © 2015 Anchin Block & Anchin LLP The Anchin Alert is published periodically by Anchin, Block & Anchin LLP, Accountants & Advisors. The Alert contains articles which are general in nature and based on sources which are believed to be authoritative. Specific applications would require consideration of all facts and circumstances by qualified professionals familiar with a taxpayer and therefore we are not liable for the application of any information contained herein. No part of this correspondence may be reproduced or utilized in any form or by any means without written permission from Anchin, Block & Anchin LLP.