

2010 Social Security and Medicare Numbers

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Every year Social Security and Medicare adjust their numbers to reflect changes in the Consumer Price Index in an attempt to keep up with inflation. However, inflation this past year has been virtually zero. A hold-harmless provision of the statute freezes some of the increases usually announced at this time of year; other numbers, however, do change for 2010.

For example, in most years, persons receiving Social Security monthly benefits normally receive a Cost of Living Increase to their benefits. This year, there is no increase so what you received in 2009 will continue through 2010. The amount the federal government gives to persons on Supplemental Security Income (SSI) remains at \$674 per month (\$1,011 per couple) in 2010.

Other numbers, however, have changed. It now takes \$1,120 in earnings to count as one work credit towards building eligibility for Social Security benefits.

The numbers have also increased for persons collecting disability benefits. In 2010, it will take countable income of \$720 per month for a month to count as a Trial Work Month.

Likewise, the Substantial Gainful Activity (SGA) amount has increased to \$1,000 per month. This is the maximum you can earn in countable income after going through the Trial Work Period without impacting your disability benefits.

Medicare Numbers Also Changing

Many of the numbers affecting Medicare benefits have changed despite the lack of inflation in the past year.

Medicare Part B pays for doctor visits, laboratory tests and other out-patient medical charges. The monthly premium for Part B (Medical) Medicare will remain at \$96.40 for persons who were paying it in 2009. However, persons just starting Medicare in 2010 will pay a Part B premium of \$110.50 per month.

Persons with substantially higher incomes will continue to pay a surcharge for Part B coverage. The 2010 Part B monthly premium rates to be paid by beneficiaries who file an individual tax return (including those who are single, head of household, qualifying widow(er) with dependent child, or married filing separately who lived apart from their spouse for the entire taxable year), or who file a joint tax return are:

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 \$85,000	Less than or equal to \$170,000	\$0.00	\$110.50
Greater than \$85,000 and less than or equal to \$107,000	Greater than \$170,000 and less than or equal to \$214,000	\$44.20	\$154.70
Greater than \$107,000 and less than or equal to \$160,000	Greater than \$214,000 and less than or equal to \$320,000	\$110.50	\$221.00
Greater than \$160,000 and less than or equal to \$214,000	Greater than \$320,000 and less than or equal to \$428,000	\$176.80	\$287.30
Greater than \$214,000	Greater than \$428,000	\$243.10	\$353.60

The Part B deductible was increased from \$100 to \$110 in 2005 and, as a result of the Medicare Modernization Act, is currently indexed to the annual percentage increase in the Part B actuarial rate for aged beneficiaries. In 2010, the Part B deductible will be \$155. Other Part B benefits remain unchanged.

Medicare Part A pays for inpatient hospital, skilled nursing facility, hospice, and certain home health care services. The \$1,100 deductible for 2010, paid by the beneficiary when admitted as a hospital inpatient, is an increase of \$32 from \$1,068 in 2009. Beneficiaries must pay an additional \$275 per day for days 61 through 90 in 2010, and \$550 for lifetime reserve days. The corresponding amounts in 2009 are \$267 and \$534, respectively. Daily coinsurance for the 21st through 100th day in a skilled nursing facility will be \$137.50 in 2010, up from \$133.50 in 2009.

Approximately 99 percent of Medicare beneficiaries do not have to pay a premium for Part A services because they have at least 40 quarters (or work credits) of Medicare-covered employment (or are the spouse or widow(er) of such a person). However, other seniors and certain people under age 65 with disabilities who have fewer than 30 quarters of coverage may obtain Part A coverage by paying a monthly premium set according to a statutory formula. This premium will be \$461 per month for 2010, an increase of \$18 from 2009. A reduced premium applies in the case of individuals with 30 to 39 quarters of coverage, who will pay a premium of \$254 in 2010, compared to \$244 in 2009.

Part D Prescription Drug Benefits are provided through private insurance companies. Virtually all plans have increased their premiums for 2010, and many are limiting their formularies more than they have in the past.

NOTICE: OPEN ENROLLMENT PERIOD ENDS 03-31-10.

The Annual Enrollment Period, when you could add new coverage and make changes ended on 12-31-09. However, there is another period from January 1 through March 31, 2010 when exchanges can be made. It is called the Open Enrollment Period. During this period, no new coverages can be added, but the following changes can be made:

- Medicare with Part D → Medicare Advantage Plan with Part D
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- Medicare Advantage with Part D → Medicare Advantage with Part D