



MEDICARE IN 2025

HERE'S WHAT YOU NEED TO KNOW

Open enrollment started on October 15th and ends on December 7th, 2024. During enrollment, you can compare coverage options on the Medicare website, which was updated in October with the 2025 Medicare health and prescription drug plan information.

Part B Changes

Part B covers two main services: medically necessary and preventative. This can include physician fees, ambulance services, medical equipment, outpatient services, and some medications and home health services.

Monthly premiums have increased in 2025. Here's what you should know:

- The standard monthly premium is projected to increase \$10.30 and will be \$185 in 2025.
- The annual deductible for all Medicare Part B beneficiaries will be \$257 in 2025, an increase of \$17 from 2024.

Income-Related Monthly Adjustment Amount (IRMAA) surcharges thresholds have increased. In 2025, surcharges apply to individuals with an income of \$106,000 or more, or joint filers with an income of \$212,000 or more. The Centers for Medicare & Medicaid Services website has a comprehensive breakdown of the premium adjustments for next year.

Part A Changes

Part A covers inpatient hospital stays, nursing home care, hospice care, and home health care. Most Medicare participants don't pay a monthly premium for Part A because they have 40 or more quarters of Medicare-covered employment.

However, if you haven't reached 40 quarters of coverage yet, here are the changes to be aware of:

- Hospital deductibles will increase to \$1,676 in 2025; \$44 more than last year
- If you are hospitalized for more than 60 days, but less than 90 days, you will need to pay a coinsurance amount of \$419 per day for every day over 60. The lifetime reserve day amount is \$838 per day, up from \$816 in 2024.
- If you or your spouse have at least 30 quarters in coverage, you may buy into Part A at a reduced rate of \$285 in 2025.
- If you have fewer than 30 quarters, you will pay the full premium of \$518 per month. This is a \$13 increase from 2024.

Medicare Parts C and D

Medicare Part C, also called Medicare Advantage, combines parts A and B, while Part D covers prescription drugs. Both of these plans are optional and covered through private insurance, so plans may vary depending on the provider. You can compare plans via the Medicare website.

- Average premiums, benefits, and plan choices for Medicare Advantage and the Medicare Part D prescription drug program will remain stable in 2025.
- Through the Inflation Reduction Act, people with Medicare Part D prescription drug coverage will continue to have more affordable benefits, including a \$35 cost-sharing limit on a month's supply of each covered insulin product and recommended adult vaccines at no cost.

Healthcare access and costs are always changing. If you'd like to learn more about how Medicare may affect your finances, or want more information on premium costs and coverage and how they interact with your financial plan, contact the office today.