

## House Prevents Medicare Part B Premium Increases

Written by Christopher Beckwith  
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Last week, the House of Representatives overwhelmingly passed H.R. 3631, the Medicare Premium Fairness Act. H.R. 3631 will protect 11 million seniors and cash-strapped states from unfair increases in their 2010 Medicare Part B premiums. These hikes would have directly threatened the pocketbooks of 4 million new enrollees and retirees, as well as state budgets, which cover premiums for 7 million low-income seniors. I feel there is no reason that this burden should fall on seniors and people with disabilities, especially during these difficult economic times.

Under current law, Medicare Part B premiums --which cover physician and outpatient care and are deducted from Social Security checks -- cannot increase more than the cost of living adjustment for Social Security for nearly three quarters of Medicare enrollees. The Social Security COLA is likely to be zero next year because of the recession.

Without this bi-partisan congressional action, the other 27 percent of enrollees would have seen their Part B premium increase from \$96 per month to \$110-120 per month, because Part B premiums are required by law to cover 25 percent of Medicare Part B's costs. Those who would have seen this premium increase include:

- low-income dual eligibles (18%) - paid for by the states
- higher-income Medicare beneficiaries (5%)
- new Medicare enrollees (3%) and
- enrollees whose Medicare premiums are not deducted from their Social Security checks (2%).

H.R. 3631 extends the "hold harmless" policy to protect all Medicare enrollees from an increase larger than the Social Security COLA, so that the 2010 Part B premiums will remain at \$96.40 with no cut in Social Security checks. Most importantly however, the bill will not add to the deficit. The Congressional Budget Office (CBO) estimates the bill's cost at \$2.8 billion for 2010 will be fully paid for and meets PAY-GO requirements by using financing from the Medicare Improvement Fund. The Fund was established a few years ago to be available for the Secretary to make improvement to Part A and B benefits.

The bill is endorsed by AARP, The National Committee to Preserve Social Security and Medicare (NCPSSM), the Center for Medicare Advocacy (CMA), Alliance for Retired Americans, National Association of State Medicaid Directors, the Consortium for Citizens with Disabilities

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