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Member, National Academy
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MEDICARE RATES FOR 2007

The Centers for Medicare and Medicaid Services recently announced that Medicare Part A costs will increase in 2007. Medicare Part A pays for inpatient hospital care and some nursing home care, and home healthcare. The Medicare Part A deductible amount for a benefit period will rise from \$952 to \$992 in 2007. Medicare Part A co-payments will increase from \$238 to \$248 per day for days 61 through 90, and from \$476 to \$496 per day for days 91 through 150 (lifetime reserve days) per benefit period. Co-payments for skilled nursing facilities will increase from \$119 to \$124 for the 21st through the 100th day per benefit period. Approximately 99% of Medicare beneficiaries do not pay a premium for Medicare Part A because they have at least 40 quarters of coverage. Some seniors and persons with disabilities younger than age 65 who have fewer than 30 quarters of coverage may obtain Medicare Part A coverage by paying a premium. The premium will increase from \$393 per month in 2006 to \$410 per month in 2007. For seniors with 30 to 39 quarters of coverage and certain disabled persons with 30 or more quarters of coverage, the Medicare Part A premium will increase from \$216 per month in 2006 to \$226 in 2007.

As previously reported in the *Elder Law News*, Medicare Part B monthly premiums will be set according to a sliding scale based on income. The standard premium will rise from \$88.50 per month to \$93.50 per month in 2007, and it will apply to beneficiaries who file an individual income tax return with income less than \$80,000, or joint return filers with income less than or equal to \$160,000. For beneficiaries with individual income of \$80,000, but less than or equal to \$100,000, and joint filers with incomes greater than \$160,000, but less than or equal to \$200,000, the premium will be \$105.80. Beneficiaries with individual income greater than \$100,000, but less than or equal to \$150,000, and joint filers with income above \$200,000, but less than or equal to \$300,000, will pay a \$124.40 premium. Beneficiaries with individual income greater than \$150,000, but less than or equal to \$200,000, and joint filers with income greater than \$300,000, but less than or equal to \$400,000, will pay a premium of \$142.90. Beneficiaries with individual income greater than \$200,000, or joint filers with income

greater than \$400,000, will pay a \$161.40 per month premium. There is a separate rate chart for married beneficiaries who file separate tax returns, and who live with the spouse at some time during the taxable year. Medicare Part B pays for visits to physicians, other outpatient care, durable medical equipment, home care, certain outpatient therapies and drugs that cannot be administered by patients at home and are thus administered by physicians in their offices. The Medicare Part B annual deductible will also increase in 2007 from \$124 to \$131.

Low-income Medicare beneficiaries can receive assistance with the Medicare Part B premium costs, as well as the deductibles and co-payments. These beneficiaries are called “dual eligibles” because they are eligible for Medicare, and they are also eligible for Medicaid due to their low income. For Qualified Medicare Beneficiaries (QMBs), Medicaid will pay the Medicare Part B premium, deductibles, and co-payments. For Specified Low-Income Medicare Beneficiaries (SLMBs), Medicaid will pay the Part B premium. These dual eligible beneficiaries can also receive assistance with the Medicare Part D prescription drug benefit costs.

Oast & Hook will continue to monitor developments in Medicare benefits and costs, and it will continue to report them to readers of the *Elder Law News*. Oast & Hook is available to assist clients with managing their various Medicare and Medicaid options and benefits.

Useful Websites

www.medicareadvocacy.org – Center for Medicare Advocacy, Inc.

www.cms.hhs.gov/apps/media/press/release.asp?Counter=1958 – Center for Medicare and Medicaid Services Fact Sheet

Announcement

The Hampton Roads Caregivers' Coalition's 13th Annual Fall Festival for Caregivers will be held Friday, October 27, 2006, at Grand Affairs in Virginia Beach from 8:30a.m. to 2:30 p.m. It will offer practical caregiving information and support for individuals providing care in the home and community. The keynote speaker will be Ms. Teepa Snow, Director for Educational Programs for the Eastern North Carolina Chapter of the Alzheimer's Association. Ms Snow's presentation, “Caregiver Stress: Reducing Distress by Building Skills and Knowledge,” will help caregivers learn how to better handle the challenging behaviors and demands of those in their care. She will present realistic ideas that will apply to many caregiving situations, not just those involving dementia.

Reservations must be made and paid for by check in advance and no payment will be allowed at the door. The fee, which includes continental breakfast, lunch, and the program, is \$25 for professionals (those whose paid work involves caregiving or healthcare services) and \$15 for non-professionals (unpaid family members, students, and volunteers.) To request a registration brochure or for more information, please call Mary Catherine Dzedziak at 757-420-5448 or e-mail her at marycdz@verizon.net. The registration deadline is October 19, 2006. Please join us for a day of education, support, and fellowship.

Oast & Hook

Oast & Hook is an elder law firm. We represent older persons, disabled persons, their families, and their advocates. The practice of elder law includes estate planning, investment and insurance advice, estate and trust administration, powers of attorney, advance medical directives, titling of assets and designations of beneficiaries, guardianships, conservatorships, and public entitlements such as Medicaid, Medicare, Social Security, and SSI, disability planning, income tax planning and preparation, bill paying, account management and reporting, care management, and fiduciary services. We also handle litigation involving these issues, such as will contests and estate administration disputes. For more information about Oast & Hook, please visit our website at www.oasthook.com.

Oast & Hook is the Virginia member of the Special Needs Alliance, a nationwide network of disability attorneys. As members of this alliance, we assist personal injury attorneys in resolving their cases to enhance the judgments and awards of their disabled clients and to maintain the eligibility of these clients for SSI and Medicaid. We are experienced in protecting the public benefits of persons with special needs and in assisting with the management of their assets. For more information about the Special Needs Alliance, visit its website at www.specialneedsalliance.com.

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