

## The Medicare Map . . .

Helping you and your clients navigate the Medicare Maze

## The Future of Medicare

Premium and costs recap from the recent Medicare
Trustees Report

Most of us have seen the headlines regarding the Medicare Part A trust fund (inpatient hospital insurance) . . . expected to run dry in 2031. That's seen as good news because it's three years later than projected in last year's report. Because part A is funded by payroll taxes, the improvement is partially due to more covered workers and higher average wages. Another factor is updated expectations for health care spending on the Medicare population as a result of the number of deaths related to COVID. Changes are needed to secure the financial viability of Part A, no indication of what those might be.

Part B of Medicare (medical insurance portion) is a different story. Most beneficiaries pay a premium for Part B. Part B premium adjusts to expected health care spending. That's good because it should mean Part B of Medicare will never go broke. If health care expenses go up, premiums go up. NOTE: Part B premiums fund 25% of expected health care spending and general Treasury funds the other 75%. That's bad because there is no limit on how high Part B premiums can go.

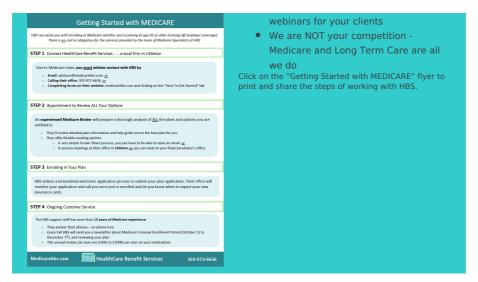
## **Projections from Medicare Trustee Report**

- $\cdot$  By 2032 Part B premium is expected to be \$285.60, a 73% increase over this year's premium of \$164.90
- $\cdot$  By 2032 the average Part D premium (prescription drug coverage) is expected to be \$49.08, a 50% increase over this year's average of \$32.74
- $\cdot$  Over the next five years it's projected <u>cost growth will</u> <u>average 9.7% for Part B and 6.2% for Part D</u>. Compared to projected average <u>annual GDP growth rate of 4.3%</u>

These cost increases can often go unnoticed (and not budgeted for) because they're automatically deducted from Social Security benefits and timed with the annual COLA adjustments to SS benefits. As the projections suggest (if you haven't already), an upward adjustment of Medicare costs within a client's financial plan may be necessary. Especially for those on fixed incomes and limited net worth.

## Referring Clients To HBS . . . How We Support Advisors and Help Their Clients

- We represent all plans (Medicare Supplement, Drug Plans, and Medicare Advantage), and all major companies
- Our process is thorough, no obligation and no pressure
- We're available to conduct Medicare



To learn more about our process, visit <u>our website</u> or call our office 303-973-6636.

Feel free to forward The Medicare Map monthly newsletter to other advisors you think would benefit from the services of Tammey and her team.



HealthCare Benefit Services 6638 W Ottawa Ave Ste 120, Littleton CO 80128 (303) 973-6636 | advisors@medicarehbs.com

www.medicarehbs.com | LinkedIn







This email was sent to {{ contact.EMAIL }} You received this email because you are registered with HealthCare Benefit Services Inc
For Advisors Only - NOT approved for client use.

Unsubscribe here



© 2023 HealthCare Benefit Services Inc