

# What You'll Pay for Medicare in 2021

*For Medicare premiums 2021, look for modest increases in premiums and out-of-pocket costs*

MELVILLE, NEW YORK, UNITED STATES, January 12, 2021 /EINPresswire.com/ -- The New Year will usher in a host of adjustments to Medicare that both new enrollees and existing beneficiaries will need to navigate. In order to get the most from your plan, it's important to understand your out-of-pocket costs, which will vary depending on your income and the type of plan you choose. Here's a rundown of what you can expect in 2021.

Medicare Part B Premium 2021. Although Part A, which pays for hospital care, is free for most beneficiaries, you'll pay a monthly premium for Part B, which covers doctor visits and outpatient services. In 2021, the standard monthly premium will be \$148.50, up from \$144.60 in 2020.

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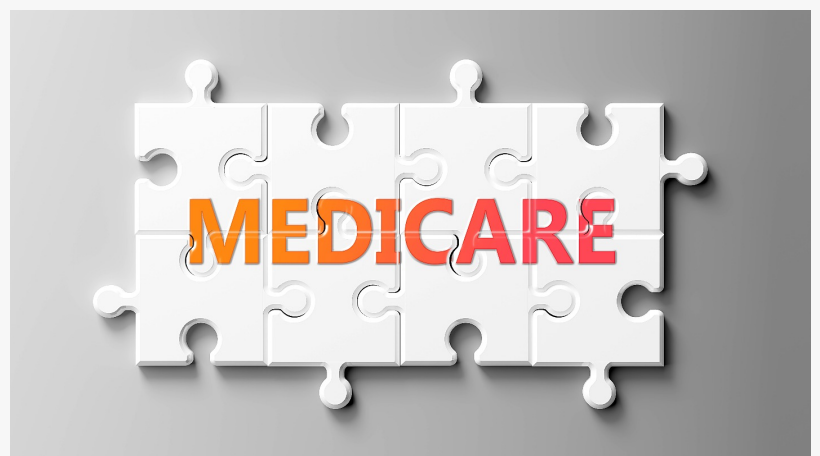
There is no one best Medicare Plan, but there is a best plan for you.”

*Paul Barrett*

But if you're a high earner, you'll pay more. Surcharges for high earners are based on adjusted gross income from two years earlier. In 2020, beneficiaries with 2018 AGI of more than \$87,000 (\$174,000 for married couples filing jointly) paid \$202.40 to \$491.60 per month for Part B. Surcharges in 2021 for beneficiaries with 2019 AGIs of more than \$88,000 (more than \$176,000 for married couples filing

jointly) range between \$207.90 and \$504.90.

Medicare [Part D](#). The average premium for Part D, which covers drug costs, will be about \$30 a month in 2021. Seniors with high drug costs may run into a coverage gap, although it has been shrinking. For 2021, the gap begins when the total your plan has paid reaches \$4,130, up from

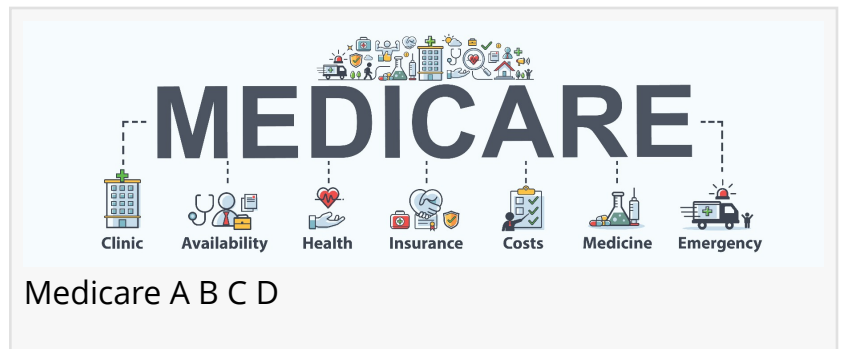


Do you have all the pieces?



Medicare Seems Free until you use it

\$4,020 in 2020. At that point, you'll receive a 75% discount on brand-name and generic drugs. Drug manufacturers will pick up 70% of the tab, insurers will pay 5% and you'll pay 25%. Medicare picks up most of the cost, after a small co-pay, once your out-of-pocket spending hits \$6,550 (including whatever drug manufacturers paid on your behalf in the coverage gap), up from \$6,350 in 2020.



Mind the gap. If you're new to Medicare, you may be surprised to discover what it doesn't cover. Part B pays for only 80% of doctor's visits and other outpatient services. In addition, Medicare doesn't cover dental care, eye appointments or hearing aids.

There are two ways to address your uncovered expenses. Medicare supplemental insurance, or [medigap](#), policies are offered by private insurers and cover deductibles and copayments. Medigap policies are identified by letters A through N. Each policy that goes by the same letter must offer the same basic benefits, and usually the only difference is the cost.

Plan F is the most popular policy because of its comprehensive coverage, but as of 2020, Plan F (as well as Plan C) is unavailable for new enrollees. The closest substitute for Plan F is Plan G, which pays for everything that Plan F did except the Medicare Part B deductible. Monthly premiums for Plan G in 2020 ranged from \$90 to \$170, depending on your age and state, according to MedicareFAQ, an insurance agency that sells supplemental Medicare plans. Anyone enrolled in Medicare before 2020 can still sign up for plans F and C.

An alternative to having both traditional Medicare and a medigap plan is to enroll in a Medicare Advantage plan. Such plans provide medical and prescription drug coverage through private insurance companies. The monthly premium, in addition to Part B, varies depending on which plan you choose. The Center for Medicare and Medicaid Services estimates that the average monthly premium will be \$21 in 2021, down from \$23.63 in 2020. Advantage policies charge lower premiums than medigap plans but have higher deductibles and copayments, and your choice of providers may be more limited than with traditional Medicare. If you have questions regarding the Medicare options and reducing Medicare out of pocket risk, [Paul Barrett Insurance Agency](#) provides FREE Medicare consultations all year round 1-800-219-0453

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