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Contact: Rosamaria Marrujo
(347) 924-0663 / press@taia.us

SAHU Comments on Medicare's 2022 Part A & B Costs

SACRAMENTO, CA 19 November 2021 — As with every year around this time, CMS (Center for Medicaid & Medicare Services) has released the premium costs for the coming year. Unlike previous years in recent memory, this new cost summary comes with a bit of sticker shock, with the standard cost for Part B jumping an unheard-of \$21.60 from the previous year (\$148.50 in 2021 to \$170.10 in 2022). By comparison, the change from 2020 to 2021 was only an additional \$3.90.

Although this updated cost is larger than expected, it is not without reason.

“These dramatic increases are in part due to the rising costs of health care and the approval of a new Alzheimer’s disease drug Aduhelm.” SAHU’s President-Elect Rosamaria Marrujo said on the matter, “There are about 2 million people covered by Medicare with Alzheimer’s disease (2017 Kaiser Foundation study). This new medication is covered by Medicare Part B, not the Part D drug plan as it is administered by a doctor. If just 25% of this population were to receive this medication, it would cost \$29 billion in just one year. To put that in perspective, Medicare paid \$37 billion on all Part B drugs in 2019 (Kiplinger Report 11/12/2021). The approximate cost for a one-year treatment of Aduhelm is about \$56,000. It is prescribed for people with early onset of dementia and has shown to slow the progression of the disease in clinical trials. It is not a cure nor appropriate for people with moderate or advanced Alzheimer’s disease.”

Below are a few additional details provided by CMS regarding Parts A & B costs.

Part A Costs

If you don’t qualify for premium-free Part A, you can buy Part A. People who buy Part A will pay a premium of either \$274 or \$499 each month in 2022 (Up from \$ and \$ in 2021) depending on how long they or their spouse worked and paid Medicare taxes.

If you choose NOT to buy Part A, you can still buy Part B. In most cases, if you choose to buy Part A, you must also:

- Have Medicare Part B (Medical Insurance)
- Pay monthly premiums for both Part A and Part B

Part B Costs

The standard **Part B premium amount in 2022 is \$170.10 (Up from \$148.50 in 2021)**. Most people pay the standard Part B premium amount. If your modified adjusted gross income as reported on your IRS tax return from 2 years ago is above a certain amount, **you’ll pay the standard premium amount and an Income Related Monthly Adjustment Amount (IRMAA)**. IRMAA is an extra charge added to your premium.

If your yearly income in 2020 (for what you pay in 2022) was			You pay each month (in 2022)
File individual tax return	File joint tax return	File married & separate tax return	
\$91,000 or less	\$182,000 or less	\$91,000 or less	\$170.10
above \$91,000 up to \$114,000	above \$182,000 up to \$228,000	Not applicable	\$238.10
above \$114,000 up to \$142,000	above \$228,000 up to \$284,000	Not applicable	\$340.20
above \$142,000 up to \$170,000	above \$284,000 up to \$340,000	Not applicable	\$442.30
above \$170,000 and less than \$500,000	above \$340,000 and less than \$750,000	above \$91,000 and less than \$409,000	\$544.30
\$500,000 or above	\$750,000 and above	\$409,000 and above	\$578.30

Part B deductible & coinsurance in 2022, you pay \$233 for your Part B deductible. After you meet your deductible for the year, you typically pay 20% of the Medicare-Approved Amount for these:

- Most doctor services (including most doctor services while you're a hospital inpatient)
- Outpatient therapy
- Durable Medical Equipment (Dme)

For more information regarding these annual changes visit CMS at <https://www.medicare.gov/your-medicare-costs>

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