

On November 12, 2021, the Centers for Medicare & Medicaid Services (CMS) released the 2022 premiums, deductibles, and coinsurance amounts for the Medicare Part A and Part B programs,

Medicare Part B Premium and Deductible

Medicare Part B covers physician services, outpatient hospital services, certain home health services, durable medical equipment, and certain other medical and health services not covered by Medicare Part A.

Each year the Medicare Part B premium, deductible, and coinsurance rates are determined according to the Social Security Act. The standard monthly premium for Medicare Part B enrollees will be \$170.10 for 2022, an increase of \$21.60 from \$148.50 in 2021. The annual deductible for all Medicare Part B beneficiaries is \$233 in 2022, an increase of \$30 from the annual deductible of \$203 in 2021.

The increases in the 2022 Medicare Part B premium and deductible are due to:

- Rising prices and utilization across the health care system that drive higher premiums year-over-year alongside anticipated increases in the intensity of care provided.
- Congressional action to significantly lower the increase in the 2021 Medicare Part B premium, which resulted in the \$3.00 per beneficiary per month increase in the Medicare Part B premium (that would have ended in 2021) being continued through 2025.
- Additional contingency reserves due to the uncertainty regarding the potential use of the Alzheimer's drug, Aduhelm™, by people with Medicare. In July 2021, CMS began a National Coverage Determination analysis process to determine whether and how Medicare will cover Aduhelm™ and similar drugs used to treat Alzheimer's disease. As that process is still underway, there is uncertainty regarding the coverage and use of such drugs by Medicare beneficiaries in 2022. While the outcome of the coverage determination is unknown, our projection in no way implies what the coverage determination will be, however, we must plan for the possibility of coverage for this high cost Alzheimer's drug which could, if covered, result in significantly higher expenditures for the Medicare program.