

# BIG MEDICARE CHANGES IN 2016

*"For Medicare recipients, there's good news and for some, there's a bit of less than good news when it comes to Medicare coverage."*



Zimmer Law Firm, LLC • (513) 721-1513  
866.799.4050 (toll free) • [ZimmerLawFirm.com](http://ZimmerLawFirm.com)



For Medicare recipients, there's good news and for some, there's a bit of less than good news when it comes to Medicare coverage.

First, you should know that your new Medicare cards will no longer have your Social Security number, making it less stressful should your card get lost or stolen. This change comes as part of President Obama's Medicare Access and CHIP Reauthorization ACT of 2015. It couldn't have come a moment too soon, considering many seniors have fallen victim to fraudsters and thieves taking advantage of those Social

Security numbers on the Medicare cards. Medicare now has four years to change the design of its identification cards. You'll soon see a different identification number that won't reveal any of your personal information. If you're worried about your identity and safety, Medicare suggests you carry a copy of your card with all but the last four numbers blacked out. You can leave your original card at home or in a safe place. If you're visiting a new physician who does not yet have your information, you can call ahead and provide your Social Security number to the office manager while leaving your card safe at home. That's not all, either.

The new law also changes how doctors are reimbursed to care for Medicare patients and prevents the need for Congress to annually pass a funding bill. It should now be easier for Medicare participants to find health care providers. The program that gives low-income people assistance with Medicare premiums was also extended. Now for the less than ideal changes.

For about 70 percent of Medicare recipients, there won't be any changes at all to Part B coverage. Look for it to remain at around \$104.90. Because Inflation hasn't been high enough to trigger a Social Security cost of living adjustment, or COLA, there won't be changes.

Unfortunately, for around 30% of Medicare participants, they can expect a rather significant increase in Part B costs; some are warning increases of up to 52% in 2016. This is because Medicare is required by law to cover a certain amount of its costs. If the costs can't be shared among everybody because of the hold-harmless clause, then those people not covered under the hold-harmless clause will feel the pain. If you're new to Medicare and are signing up for the first time in 2016, you aren't protected by the hold-harmless clause and your initial Part B premium will be \$159.30 in 2016.



If you're considered a high-income participant, which is around 1.3 million people, you already pay higher Part B premiums because your annual incomes are above \$85,000 for an individual or \$170,000 for a couple. Projections are that single individuals earning up to \$107,000 (and couples earning up to \$214,000) would see their 2016 monthly premiums increase from \$146.90 per person this year to \$223 in 2016. For those earning



more than \$214,000, or for couples earning \$428,000, the projected increase is \$509.80 per person, up from \$335.70 in 2015. Those are significant increases.

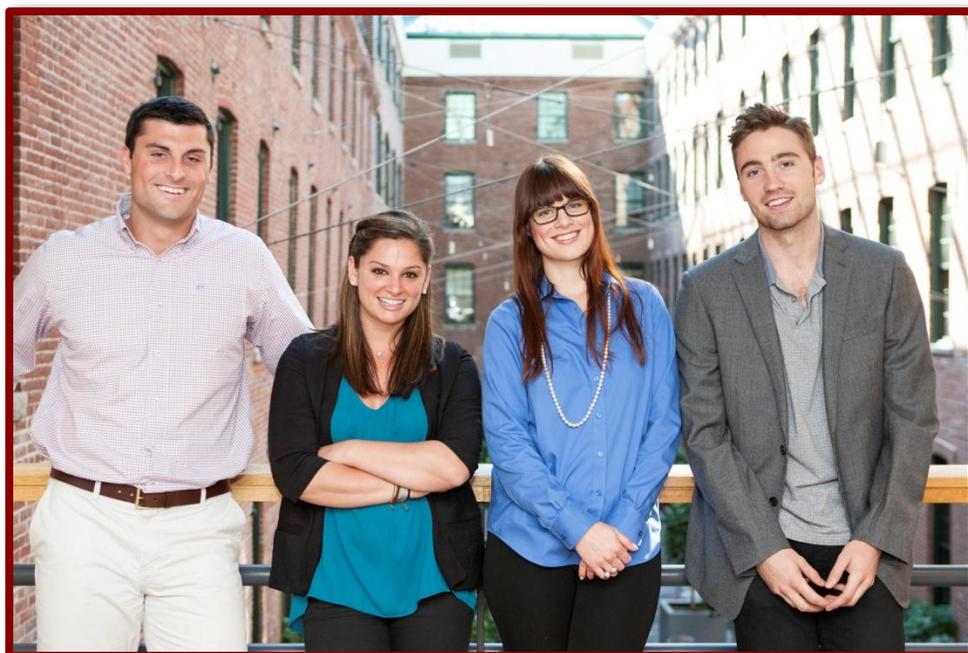
Also, if you've deferred claiming Social Security, approximately 1.6 million people, you too will

see an increase. This includes people 65 or older who are still working, but who have previously signed up for Medicare due to their employer not offering health insurance. It also hits people who have filed and suspended Social Security benefits to allow a spouse to claim. If they are paying \$104.90 a month for Medicare Part B this year, they will be charged \$159.30 a month in 2016.

There are a lot of different scenarios that people are wondering about. For instance, many wonder if claiming Social Security right away and allowing Part B premiums to be deducted is a better way. Most experts would agree that the increase of 6 percent to 8 percent you receive at age 70 is a better financial move than any savings you'll find in

the Part B premiums. The key is to explore your options and consider the pros and cons of any potential scenario.

Also, it's a good time to review your estate planning documents to ensure you're taking advantage of any tax benefits that are available. Financial tools like setting up trusts, for instance, can help in the long run while also benefitting your loved ones later. You



might also want to discuss whether Medicaid is a possibility, as it can sometimes work right along with your Medicare coverage.

Remember, you have options. If you'd like to discuss

those options or want to rethink your estate planning efforts, we invite you to contact The Zimmer Law Firm today. With just a bit of time, you may discover even bigger ways to make the most of your financial choices. No one wants to go into retirement wondering if their savings and planning efforts were enough.

## About the Author



### Barry Zimmer

Barry H. Zimmer founded THE ZIMMER LAW FIRM in June 1993, to practice in the areas of estate planning, estate administration, and business succession planning. His goal was and continues to be helping clients understand and de-mystify the often confusing world of estate planning in an ever-changing society, and to implement effective estate planning with minimal effort and time investment. The firm works from the belief that planning should always be driven by purpose. As a result, there are no "canned" or pre-set planning solutions. Instead, Zimmer helps clients identify their goals first and then builds estate and business plans based on that understanding.

Barry has been in private practice since receiving his law degree from the University of Cincinnati College of Law in 1979. He earned his Bachelor of Arts Degree from U.C. with Honors, Magna Cum Laude and Phi Beta Kappa, in 1976. He was profiled in the 1990-1991 edition of Who's Who in American Law for contribution to the betterment of contemporary society, and has lectured numerous times on legal topics, and authored several articles and Special Reports on estate planning. He is a former guest columnist on Simply Money, on 91.7 FM, WVXU. He makes occasional guest appearances on radio about estate planning topics, and has been quoted in newspaper articles and columns on estate planning matters.

In Mr. Zimmer's perspective, excellence in implementing trust-based estate plans is but one aspect of his responsibility to clients. Providing reliable guidance and service to families of clients who pass away is just as critical as sound planning at the front end. The firm is very active in settling trusts of all complexity and sizes, and handling probate cases and guardianship proceedings. Zimmer and his staff have successfully handled hundreds of trust estate cases, and are experienced in settling and distributing a wide variety of estate assets to heirs.

The Zimmer Law Firm  
9825 Kenwood Road, Suite 201  
Cincinnati, OH 45242  
Phone: (513) 721-1513  
Fax: (513) 287-8623  
Website: [www.zimmerlawfirm.com](http://www.zimmerlawfirm.com)