

2023 Medicare Facts and Figures

For nearly six decades Medicare has given peace of mind to seniors because they know they can see a doctor, go to the hospital, and get the health care they need when they need it. The Medicare program is organized into four parts: Part A covers mostly inpatient hospital stays; Part B covers physician services, preventative services, durable medical equipment and ambulance services; Part C is called Medicare Advantage and is a private plan option that supplants traditional Medicare; and Part D provides prescription drug coverage.

When and How to Apply for Medicare Benefits

- Medicare is available for most people aged 65 or older, younger people with disabilities, and people with End Stage Renal disease.
- If you are already receiving Social Security retirement benefits you will automatically be enrolled in Medicare Parts A and B.
- If you are within three months of turning age 65 or older and not ready to start your monthly Social Security benefits yet, you can apply for Medicare at <https://www.ssa.gov/benefits/medicare/> and wait to apply for your retirement or spouse's benefits later.
- Beneficiaries who want to keep their current Medicare coverage do not need to re-enroll. For those who do want to change their coverage for 2023, Medicare Open Enrollment begins on October 15, 2022, and ends on December 7, 2022.
- Medicare enrollees can contact their State Health Insurance Programs for one-on-one assistance at: <https://www.shiphelp.org>.

The Inflation Reduction Act of 2022 Helps Lower Health Care and Prescription Drug Costs

Thanks to the efforts of AFSCME retirees, Congress passed the Inflation Reduction Act of 2022 (IRA), and President Biden signed it into law. Starting in 2023, this new law will dramatically lower health care and prescription drug costs for retirees and by 2025 will cap the out-of-pocket costs for prescriptions to \$2,000 a year.

Starting in 2023, Medicare Beneficiaries Will Pay No Cost (\$0) for Vaccinations

There will no longer be out-of-pocket costs for vaccines in 2023. While Medicare Part B covers vaccines such as the flu vaccine at no cost-sharing, patients receiving vaccines covered under Medicare Part D, such as the vaccine for shingles, must pay for a part of the cost out of pocket. Even with a coupon, the price for the Shingrix shingles vaccine ranges from \$155 to \$191. Come January 2023 thanks to the IRA, Medicare beneficiaries will have \$0 cost-sharing for vaccines for Medicare Part D beneficiaries.

Starting in 2023, Medicare Beneficiaries Will Have a \$35 Monthly Limit on Out-of-Pocket Costs for

Insulin

Drug manufacturers have raised insulin prices so rapidly over the last few decades that some Medicare beneficiaries struggle to afford this life-saving drug that costs less than \$10 a vial to manufacture. Come January 2023, beneficiaries who need insulin can breathe a sigh of relief, thanks to the IRA.

Capping Medicare Part D Out-of-Pocket Costs

Beginning in 2025, all people with Medicare Part D coverage will have their out-of-pocket prescription drug costs limited to \$2,000 per year. This cap will allow people to choose to spread their out-of-pocket costs throughout the year. In 2024, cost-sharing will be eliminated in the Part D catastrophic phase, effectively capping out-of-pocket costs at the catastrophic threshold. These out-of-pocket limits will greatly help people with chronic conditions who face high drug costs and older adults living on fixed incomes by providing more predictability and protection from catastrophic costs.

Limiting Part D Premium Growth

For plan years 2024 - 2029, annual premium growth for Part D coverage will be limited to 6%.

Changing the Rules of How Drug Prices are Decided

The IRA changes the relationship between Medicare and prescription drug corporations when it comes to deciding drug prices. Up until now, prescription drug corporations have been price setters. Previously, the law explicitly barred Medicare itself from negotiating with prescription drug companies. Now for the first time since the Part D program was set up, the Medicare program will be required to negotiate the prices of certain high-cost prescription drugs covered under either Part D or Part B. Though negotiated prices will be phased in, the requirement will save beneficiaries, the Medicare program itself and have ripple effects for consumers across the health system. This is a historic and game changing victory for AFSCME.

In addition, the IRA will penalize drug companies for increasing prices faster than inflation. This means seniors who sometimes had to choose between medication and food will now have more options as the cost of out-of-pocket medications will be lower.

2023 Medicare Part B (Physician Coverage) Is Going Down From 2022

Individual's Income	Couple's Income	2023 Part B Monthly Premium
\$97,000 or less	\$194,000 or less	\$164.90
\$97,001 - \$123,000	\$194,001 - \$246,000	\$230.80
\$123,001 - \$153,000	\$246,001 - \$306,000	\$329.70
\$153,001 - \$183,000	\$306,001 - \$366,000	\$428.60
\$183,001 - \$500,000	\$366,001 - \$750,000	\$527.50
Above \$500,000	Above \$750,000	\$560.50

Source: [CMS fact Sheet on 2023 Medicare Parts A & B Premiums and Deductibles](#)

For All Medicare Beneficiaries

The Part B deductible is \$226 and Part B copayment is 20%.

2023 Medicare Part A (Hospital Coverage)

- Deductible: \$1,600 (first 60 days of Medicare-covered inpatient hospital care).
- Coinsurance: \$0 (Days 1 to 60), \$400 per pay (Days 61-90).

For All Medicare Beneficiaries

The Part B deductible is \$226 and Part B copayment is 20%.

Next Steps

Congress and the administration must build on the victory of the Inflation Reduction Act of 2022. The inflation caps will work for Medicare and have spillover effects on non-Medicare coverage. This is a sound policy to be extended to all health plans. Congress and the administration must be vigilant in watching for how the drug corporations react to this law in setting prices on newly launched prescription drugs.

October 3, 2022

###

AFSCME's 1.4 million members provide the vital services that make America happen. With members in communities across the nation, serving in hundreds of different occupations — from nurses to corrections officers, childcare providers to sanitation workers — AFSCME advocates for fairness in the workplace, excellence in public services and freedom and opportunity for all working families.