

Washington, DC - Congressman Maurice Hinchey (D-NY) today helped the House pass the Medicare Premium Fairness Act, a bill that would protect 11 million seniors and cash-strapped states from unfair increases in 2010 Medicare Part B monthly fees, known as premiums, and ensure that no seniors see a cut in their Social Security checks. The bill puts a freeze on automatic provisions built into current Medicare law that would have forced more than a quarter of the 42 million Americans enrolled in Medicare Part B to have their premiums, rise to as high as \$120 a month, an increase of up to 20 percent. To alleviate this unfair financial burden, the bill would keep Part B premiums at the current rate of \$96.40 per month.

"This bill protects 11 million seniors from unfairly seeing their Medicare premiums go up next year," Hinchey said. "At a time when we're working very hard in Congress to pass a strong health reform bill, we must make sure that those who already have health coverage through Medicare can continue to afford their premiums. By putting a freeze on Medicare Part B premiums for a year, we are giving seniors and disabled Americans enrolled in the program a chance to catch their breath. With the cost of so many other things continuing to rise, this bill helps ensure Medicare costs are not adding to the many financial burdens that Americans are facing."

Under current law, nearly three-quarters of Medicare enrollees cannot see an increase in their Medicare Part B premium that exceeds the annual cost of living adjustment (COLA) for Social Security. The Social Security COLA is likely to be zero next year because of the recession, though Hinchey and others are working to change that. Medicare Part B covers physician and outpatient care and is deducted from Social Security checks.

Part B premiums are required by law to cover 25 percent of Medicare Part B's costs. Without congressional action, the other 27 percent of enrollees would see their Part B premium increase from \$96 per month to somewhere between \$110 and \$120 per month in order to cover the 25 percent share of Medicare Part B. Those who would see this premium increase include:

* low-income dual eligibles (18 percent) – paid for by the states

* higher-income Medicare beneficiaries (5 percent)

* new Medicare enrollees (3 percent) and

* enrollees whose Medicare premiums are not deducted from their Social Security checks (2 percent).

The Medicare Premium Fairness Act would extend the “hold harmless” policy to protect all Medicare enrollees from an increase larger than the Social Security COLA, so that the 2010 Part B premiums would remain at \$96.40 and no seniors would see a cut in their Social Security checks.