

# How Much Will Medicare Cost You in 2020?

Healthcare costs a little more each year. Find out the details here.



 **Dan Caplinger** (TMFGalagan)

 Dec 21, 2019 at 7:31AM

 [Author Bio](#)

Follow @DanCaplinger 2,912 followers

Americans 65 and older rely on Medicare for the healthcare coverage they need. But even though most people are entitled to Medicare benefits, they don't come without cost. In fact, if you don't plan for healthcare expenses under Medicare, you'll get a nasty shock when you approach retirement.

In particular, the various parts of Medicare coverage impose a wide variety of different costs for participants to pay. Whether you face deductibles, co-payments, premiums, or other expenses, being on Medicare requires some financial planning in order to make sure you can cover your costs. The following sections take a look at Medicare and what you'll have to pay for it in 2020.



IMAGE SOURCE: GETTY IMAGES.

## Hospital coverage under Medicare Part A

Most Medicare participants get their hospital insurance coverage under [Medicare Part A](#) without having to pay any additional premium. As long as you or your spouse paid Medicare payroll taxes and earned 40 quarters of qualifying employment, then Part A is premium-free.

But workers with shorter careers might have to pay for hospital coverage. Those with 30 to 39 quarters of employment will pay \$252 in monthly premiums, while those with fewer than 30 quarters will owe \$458 per month. Those numbers are up \$12 and \$21, respectively, from 2019 levels.

Moreover, if you end up in the hospital or needing other inpatient care, then you'll have to bear some costs for those expenses. Below, you can see the different expenses associated with Medicare Part A:

| Medicare Charge  | 2020 Cost (Change From 2019) |
|--|------------------------------|
| Hospital deductible  | \$1,408 (up \$44)            |
| Co-insurance for days 61-90 of hospital stay                                     | \$352 (up \$11)              |
| Co-insurance for days 91 and beyond of hospital stay using lifetime reserve days | \$704 (up \$22)              |
| Co-insurance for skilled nursing facility stays                                  | \$176 (up \$5.50)            |

DATA SOURCE: MEDICARE.GOV.

## Medical coverage under Medicare Part B

[Medicare Part B](#), which covers outpatient services like doctor visits, works differently from hospital coverage. Part B participants pay premiums, with the monthly premium for most people in 2020 set to go up to \$144.60. That's up by \$9.10 per month from 2019 levels, which is a fairly high boost compared with recent years.

But those who have higher income levels can end up paying extra surcharges for their Part B coverage on top of the regular amount. As you can see, the added monthly costs can be considerable for those with extremely high incomes.

| Income Level for Individual Taxpayers* | Income Level for Joint Filers | Added Monthly Charge for Part B Premium |
|--|-------------------------------|---|
| \$87,000 to \$109,000                  | \$174,000 to \$218,000        | \$57.80                                 |
| \$109,000 to \$136,000                 | \$218,000 to \$272,000        | \$144.60                                |
| \$136,000 to \$163,000                 | \$272,000 to \$326,000        | \$231.40                                |
| \$163,000 to \$500,000                 | \$326,000 to \$750,000        | \$318.10                                |
| More than \$500,000                    | More than \$750,000           | \$347                                   |

SOURCE: MEDICARE.GOV. \* EXCLUDES MARRIED PERSONS FILING SEPARATELY IF THEY LIVED TOGETHER AT ANY TIME DURING THE YEAR.

If you're married filing separately, there are two numbers to consider. Those making \$87,000 to \$413,000 pay the \$318.10 surcharge, while those making more than \$413,000 pay \$347 extra.

On top of these monthly premiums, Part B also imposes a deductible of \$198, which is \$13 higher than it was for 2019. Once you've paid that initial amount, you're typically responsible for 20% of your outpatient costs, with Medicare taking care of the remaining 80%.

## Medicare Advantage plan coverage

Medicare participants have the option to get a [Medicare Advantage](#) plan rather than using Parts A and B. Private insurers offer Advantage plans to eligible participants, and they typically provide comprehensive coverage that includes not only hospital and medical services but also prescription drug coverage. The costs of these plans vary widely, with more-comprehensive plans typically charging higher premiums. The trade-off is that you might have to use certain networks of medical providers under a Medicare Advantage plan, limiting your choices for healthcare professionals beyond what traditional Medicare does.

## Prescription drug coverage under Medicare Part D

Even if you're part of traditional Medicare, you can also sign up for a prescription drug plan under [Medicare Part D](#). Private insurers are also behind Part D plans, and again, they have considerable flexibility to charge monthly premiums based on the services they provide.

In addition, high income individuals have to pay surcharges for monthly premiums for Part D coverage as well. The table below gives the details:

| For Individuals With This Income: | Or Joint Filers With This Income: | The Part D Premium Surcharge in 2020 Is: |
|-----------------------------------|-----------------------------------|--|
| \$87,000 to \$109,000             | \$174,000 to \$218,000            | \$12.20                                  |
| \$109,000 to \$136,000            | \$218,000 to \$272,000            | \$31.50                                  |
| \$136,000 to \$163,000            | \$272,000 to \$326,000            | \$50.70                                  |
| \$163,000 to \$500,000            | \$326,000 to \$750,000            | \$70                                     |
| More than \$500,000               | More than \$750,000               | \$76.40                                  |

DATA SOURCE: MEDICARE.GOV. NOTE: MARRIED PERSONS FILING SEPARATELY WHO LIVED TOGETHER AT ANY TIME DURING THE YEAR PAY \$70 IF THEIR INCOME IS \$87,000 TO \$413,000, OR \$76.40 IF THEIR INCOME IS MORE THAN \$413,000.

## Making ends meet

The challenges of living on a fixed income are tough for Medicare participants. 2020's cost increases for Medicare are somewhat harsher than they were in 2019, and that could make it even harder on those struggling to make ends meet.

## The \$16,728 Social Security bonus most retirees completely overlook

If you're like most Americans, you're a few years (or more) behind on your retirement savings. But a handful of little-known "Social Security secrets" could help ensure a boost in your retirement income. For example: one easy trick could pay you as much as \$16,728 more... each year! Once you learn how to maximize your Social Security benefits, we think you could retire confidently with the peace of mind we're all after. [Simply click here to discover how to learn more about these strategies.](#)

### **This Marijuana Stock Could be Like Buying Amazon for \$3.19**

A little-known Canadian company just unlocked what some experts think could be the key to profiting off the coming marijuana boom.

And make no mistake – it is coming.

Cannabis legalization is sweeping over North America – 10 states plus Washington, D.C., have all legalized recreational marijuana over the last few years, and full legalization came to Canada in October 2018.

And one under-the-radar Canadian company is poised to explode from this coming marijuana revolution.

Because a game-changing deal just went down between the Ontario government and this powerhouse company...and you need to hear this story today if you have even considered investing in pot stocks.

Simply click here to get the full story now.

[Learn more](#)

# Most Older Americans Would Tell Their Younger Selves to Start Saving Sooner

Are you letting down your future self with your low savings rate?



 **Christy Bieber** (TMFChristyB)

 Feb 12, 2020 at 4:09PM

 [Author Bio](#)

Retirement can seem very far away when you're young. Unfortunately, because of this, many people who are just starting out don't save enough for it

Of this, many people who are just starting out don't save enough for it.

Saving too little early on can make it much harder to catch up later as you lose out on years of compound interest. That's likely why so many older Americans wish they hadn't waited. In fact, the number one piece of advice people in their 40s, 50s, 60s, and 70s would give their younger selves is to start saving sooner, according to a recent [TD Ameritrade survey](#).

A full 68% of all survey respondents would admonish their younger selves to sock away more cash, the survey showed. And the older people get, the more they wish they'd started saving ASAP. That's why 69% of people in their 60s and 75% of people in their 70s would give this advice.



IMAGE SOURCE: GETTY IMAGES.

## **Why does starting young matter so much?**

When you start saving early, invested funds begin earning returns right away. The money your investments earn can be reinvested so you'll earn a return on that cash too. When you earn interest on interest, it's called [compound interest](#) and it can help your account balance to grow quickly.

You can invest a much smaller amount to end up with a larger nest egg if you begin saving when you're young and compound interest has decades of time to work for you.

Consider the table below, which shows how much a \$250 monthly investment earning an 8% annual return would net you by 65, depending on the age you

start saving.

| Age You Start Investing | Amount You Have at 65 |
|-------------------------|-----------------------|
| 20                      | \$1,320,000.00        |
| 25                      | \$872,776.00          |
| 30                      | \$573,486.00          |
| 35                      | \$372,600.00          |
| 40                      | \$237,763.00          |
| 45                      | \$147,260.00          |
| 50                      | \$86,512.00           |
| 55                      | \$45,738.00           |

TABLE CALCULATIONS: AUTHOR

Looking at this table, it should come as no surprise that someone in their 40s or beyond would wish they'd started saving sooner. If you save the same monthly amount but start at 25 instead of 45, you'd have over \$1 million more invested by the time you're ready to retire.

If you start with nothing at 45 and want to end up with that same \$1.32 million, you'd need to invest \$2,235 per month -- an impossible sum for most people.

### **Start saving ASAP so you don't have any regrets**

You don't want to become one of the majority of older Americans wishing they could tell their younger selves to start saving more money earlier. And while you can't invest in a time machine to go back and start putting away money in your 20s, you'll never again be as young as you are today. That makes today the perfect day to increase the amount you're investing for the future.

Sit down with your budget, look for ways to cut spending, and figure out what you can sock away if you prioritize savings. Then increase your [401\(k\) or IRA](#)

[contributions](#) until you're satisfied you're on track and not letting your future self down.

By getting serious about saving today, you can avoid future regrets about waiting too long to get started.

## **The \$16,728 Social Security bonus most retirees completely overlook**

If you're like most Americans, you're a few years (or more) behind on your retirement savings. But a handful of little-known "Social Security secrets" could help ensure a boost in your retirement income. For example: one easy trick could pay you as much as \$16,728 more... each year! Once you learn how to maximize your Social Security benefits, we think you could retire confidently with the peace of mind we're all after. [Simply click here to discover how to learn more about these strategies.](#)

*The Motley Fool has a [disclosure policy](#).*

