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## SOCIAL SECURITY ADMINISTRATION

### 20 CFR Parts 404 and 418

[Docket No. SSA-2012-0011]

RIN 0960-AH47

#### Medicare Determinations and Income-Related Monthly Adjustment Amounts to Medicare Part B Premiums; Conforming Changes to Regulations

**AGENCY:** Social Security Administration.

**ACTION:** Final rule.

**SUMMARY:** This final rule adopts, without change, the interim final rule with request for comments we published in the **Federal Register** on September 18, 2013. The interim final rule modified our rules regarding Medicare Part B income-related monthly adjustment amounts to conform to changes made to the Social Security Act (Act) and Internal Revenue Code by the Affordable Care Act. We also removed provisions that phased in income-related monthly adjustment amounts between 2007 and 2009 and updated a citation to reflect the transfer of authority for hearing appeals under title XVIII of the Act from the Social Security Administration to the Department of Health and Human Services.

**DATES:** The interim final rule with request for comments published on September 18, 2013, at 78 FR 57257, is confirmed as final, effective March 3, 2014.

**FOR FURTHER INFORMATION CONTACT:**

Craig Streett, Office of Income Security Programs, Social Security Administration, 2-R-24 Robert M. Ball Federal Building, 6401 Security Boulevard, Baltimore, MD 21235-6401, (410) 965-9793. For information on eligibility or filing for benefits, call our national toll-free number, 1-800-772-1213 or TTY 1-800-325-0778, or visit our Internet site, Social Security Online, at [www.socialsecurity.gov](http://www.socialsecurity.gov).

**SUPPLEMENTARY INFORMATION:** Medicare Part B is a voluntary medical insurance program that provides coverage for services such as physician's care, diagnostic services, and medical supplies. A beneficiary enrolled in Medicare Part B pays monthly premiums, deductibles, and co-insurance associated with covered services. The Centers for Medicare & Medicaid Services (CMS) issues rules and regulations about the Medicare program, including the standard

monthly premium. We determine and deduct the amount of certain Medicare Part B premiums from beneficiaries' Social Security benefits and make rules and regulations necessary to carry out these functions.

The Federal Government subsidizes the cost of Medicare Part B coverage. However, beneficiaries with modified adjusted gross incomes (MAGI) above a specified threshold must pay a higher percentage of the average cost of coverage than those with MAGI below the threshold.<sup>1</sup> We refer to this subsidy reduction as an income-related monthly adjustment amounts (IRMAA).

CMS determines and publishes the annual MAGI threshold and ranges. The Internal Revenue Service provides us with beneficiaries' MAGI information for the applicable tax year. We use this information to determine IRMAAs using the CMS-determined annual MAGI threshold.

In March 2010, Congress passed the Affordable Care Act.<sup>2</sup> The Affordable Care Act temporarily freezes the MAGI threshold above which beneficiaries must pay a higher percentage of the costs of their coverage. It also revised the Internal Revenue Code to allow us to disclose tax return information to the Department of Health and Human Services (HHS) to the extent necessary to resolve administrative appeals of IRMAA determinations. We have updated our regulations to reflect these changes. The regulations now freeze the MAGI threshold and ranges from 2011 through 2019 and no longer require that beneficiaries consent to our release of Internal Revenue Service information to HHS to allow HHS to adjudicate an appeal of a determination applying an IRMAA to the Part B premium subsidy. We also removed provisions that phased in IRMAA between 2007 and 2009 because they are no longer necessary and corrected an outdated citation to HHS regulations, which reflects the transfer of authority for hearing appeals under title XVIII of the Social Security Act from the Social Security Administration to HHS.

#### Public Comments

On September 18, 2013, we published an interim final rule with request for comments in the **Federal Register**, at 78 FR 57257. We provided a 60-day public comment period. We received no comments from the public. As a result, we are adopting the interim final rule as a final rule without change.

<sup>1</sup> MAGI is defined in 42 USC 1395r(i)(4). The threshold amount is defined in 42 USC 1395r(i)(2).

<sup>2</sup> Public Law 111-148.

## Regulatory Procedures

*Executive Order 12866 as Supplemented by Executive Order 13563*

We consulted with the Office of Management and Budget and determined that this final rule does not meet the criteria for a significant regulatory action under Executive Order 12866, as supplemented by Executive Order 13563.

#### *Regulatory Flexibility Act*

We certify that this final rule will not have a significant economic impact on a substantial number of small entities because it only affects individuals. Therefore, a regulatory flexibility analysis is not required under the Regulatory Flexibility Act, as amended.

#### *Paperwork Reduction Act*

This final rule imposes no reporting or recordkeeping requirements subject to OMB clearance.

(Catalog of Federal Domestic Assistance Program Nos. 93.774 Medicare Supplementary Medical Insurance; 96.002 Social Security—Retirement Insurance.)

## List of Subjects

### *20 CFR Part 404*

Administrative practice and procedure, Aged, Alimony, Blind, Disability benefits, Government employees, Income taxes, Insurance, Investigations, Old-age, Survivors and disability insurance, Penalties, Railroad retirement, Reporting and recordkeeping requirements, Social Security, Travel and transportation expenses, Treaties, Veterans, Vocational rehabilitation.

### *20 CFR Part 418*

Administrative practice and procedure, Aged, Blind, Disability benefits, Public assistance programs, Reporting and recordkeeping requirements, Supplemental Security Income (SSI), Medicare subsidies.

Dated: February 21, 2014.

**Carolyn W. Colvin,**

*Acting Commissioner of Social Security.*

Accordingly, the interim final rule amending 20 CFR chapter III, part 404, subpart J and 20 CFR chapter III, part 418, subpart B that was published at 78 FR 57257 on September 18, 2013 is adopted as a final rule without change.

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