

## Medicare Minute Teaching Materials – February 2016 Understanding Medicare Enrollment Periods

### 1) When can I enroll in Medicare Part A and/or Part B?

When you're first eligible for Medicare, you have a 7-month Initial Enrollment Period (IEP) to sign up for Part A and/or Part B. Your IEP includes the three months before, the month of, and the three months following your 65th birthday. The date your Medicare coverage begins depends on when you sign up. For example, let's say you turn 65 on June 20<sup>th</sup>, the following chart shows when you can enroll in Medicare and when your coverage would start.

You can enroll anytime in:	Your coverage starts:
March	June 1st
April	June 1 <sup>st</sup>
May	June 1 <sup>st</sup>
June	July 1st
July	September 1 <sup>st</sup>
August	November 1st
September	December 1st

Note about a small exception: Due to a Social Security Administration rule that says a person attains age 65 on the day before his or her birthday, Medicare coverage actually starts on the first of the *preceding* month for a person whose birthday falls on the first day of any month. For example, Medicare coverage would start on May 1st for a beneficiary whose birthday is June 1st because s/he attains age 65 on May 31.

Note about if you have to buy Part A and/or Part B: You can only sign up during a valid enrollment period.

If you did not enroll in Medicare during your seven-month Initial Enrollment Period (IEP), you can sign up during the General Enrollment Period (GEP), which occurs annually from January 1 through March 31. However, your coverage will not begin until July 1. This enrollment period can be used if you:

- Declined Part B when you were first eligible, during your IEP;
- Canceled your Part B coverage without having other insurance and would now like to re-enroll; OR
- Did not enroll in Part B within eight months after your employer or union coverage ended

SHIP National Technical Assistance Center: 877-839-2675, [www.shiptacenter.org](http://www.shiptacenter.org) | [info@shiptacenter.org](mailto:info@shiptacenter.org)

SMP National Resource Center 877-808-2468 | [www.smpresource.org](http://www.smpresource.org) | [info@smpresource.org](mailto:info@smpresource.org)

© 2016 Medicare Rights Center | [www.medicareinteractive.org](http://www.medicareinteractive.org) | *The Medicare Rights Center is the author of portions of the content in these materials, but is not responsible for any content not authored by the Medicare Rights Center.*

You will have to pay a 10 percent Part B premium penalty for each 12-month period you delayed enrolling in Part B. In most cases, you will have to pay this penalty in addition to your monthly Part B premium amount for as long as you have Part B. Relatively few people have to pay a premium for Part A coverage. Those who do, and who delay enrollment, may have to pay a separate 10 percent Part A late enrollment surcharge for a limited time.

## 2) When can I make changes to my Medicare coverage?

If you have a Medicare Advantage Plan, you can change your coverage during the **Medicare Advantage Disenrollment Period (MADP)**, which occurs annually from January 1 to February 14. Changes made during this period take effect the first day of the following month. During the MADP you are **not** allowed to:

- Switch from Original Medicare to a Medicare Advantage Plan
- Switch from one Medicare Advantage Plan to another
- Switch from one Part D plan to another
- Join, switch, or drop a Medicare Medical Savings Account (MSA) Plan

During MADP, if you have...	You can switch to...
A Medicare Advantage Plan with prescription drug coverage (MAPD)	1) Original Medicare <b>and</b> a prescription drug plan. To make this change, you can submit a disenrollment request to your plan and then enroll in a new Part D plan, or enroll in a new Part D plan first, which automatically disenrolls you from your current plan.  <b>Or</b>  2) Original Medicare <b>without</b> a prescription drug plan. To make this change, contact your plan to request disenrollment.
A Medicare Private Fee-for-Service (PFFS) plan that does not have prescription drug coverage and a stand-alone prescription drug plan (MA + PDP)	Original Medicare, but <b>you must keep your current</b> prescription drug plan.
Original Medicare, with or without a prescription drug plan (PDP)	If you are in Original Medicare, the MADP does not apply to you.

**Note:** If you disenroll from your Medicare Advantage Plan during the MADP, you may be interested in purchasing a Medigap (supplemental policy) to help pay for Original Medicare deductibles and coinsurances. Each state has different Medigap rules. You should check with your SHIP to find out if and when you can enroll in a Medigap plan in your state.

If you have Original Medicare, a Medicare Advantage Plan, or a Part D plan, you can make changes to your coverage during **Fall Open Enrollment**, which occurs annually from October 15 to December 7. During this time, you can join a new Medicare Advantage Plan or a new stand-alone prescription drug plan (PDP). You can also return to Original Medicare if you had previously elected a Medicare Advantage Plan. Changes made during this period take effect January 1 of the following year.

### 3) How do I qualify for a Part B Special Enrollment Period?

The Part B Special Enrollment Period (SEP) allows you to enroll in Medicare Part B for the first time outside of the standard Medicare enrollment periods. The Part B SEP is available only if you have delayed enrollment in Part B because you have employer group coverage. When you stop working or your employer group health coverage ends, you have an eight-month SEP to enroll in Part B without a late enrollment penalty. If you meet the eligibility criteria and the Social Security Administration (SSA) grants you an SEP, your Medicare coverage will either be effective on the first of the month that you enroll or on the first of the following month, depending on your specific situation. The Part B SEP does not allow you to enroll in Medicare retroactively.

- To obtain an SEP for Part B enrollment, contact the Social Security Administration (SSA) at 800-772-1213 and request the following two forms:
  - CMS 40B (Application for Enrollment in Medicare)
  - CMS L564 (Request for Employment Information)

Fill out and sign form CMS 40B and have your employer (or your spouse or family member's employer) fill out form CMS L564. Once complete, bring or send both forms with an accompanying cover letter to your local Social Security office.

- You are **not** entitled to a Part B SEP if you have had a lapse in coverage for more than eight consecutive months. A lapse in coverage is a period of time when you have neither Medicare Part B nor group health coverage based on current employment. For example, if you only had COBRA or retiree coverage at any time since you became eligible for Medicare, this is considered a lapse in coverage. If your lapse in coverage exceeds eight consecutive months, you are not eligible for a Part B SEP.
- If you qualify for Medicare based on disability, and you have group health plan coverage through your spouse or a family member, you are only eligible for the Part B SEP if there are 100 or more people employed by the company. If the company employs fewer than 100 people, family members other than spouses are not eligible for the Part B SEP.

There may be other ways you can enroll in Medicare Part B outside of an enrollment period, such as if you qualify for Equitable Relief or a Medicare Savings Program.

SHIP National Technical Assistance Center: 877-839-2675, [www.shiptacenter.org](http://www.shiptacenter.org) | [info@shiptacenter.org](mailto:info@shiptacenter.org)

SMP National Resource Center 877-808-2468 | [www.smpresource.org](http://www.smpresource.org) | [info@smpresource.org](mailto:info@smpresource.org)

© 2016 Medicare Rights Center | [www.medicareinteractive.org](http://www.medicareinteractive.org) | *The Medicare Rights Center is the author of portions of the content in these materials, but is not responsible for any content not authored by the Medicare Rights Center.*

For more information on these and other enrollment issues, contact your State Health Insurance Assistance Program (SHIP). The local SHIP contact information at the end of this document.

#### **4) How do I qualify for a Medicare Advantage or Part D Special Election Period?**

Medicare Advantage and Part D Special Election Periods are referred to as SEPs and are available based on a qualifying life event. If you qualify for a Special Election Period, you can change how you get your Part A and Part B health coverage, and you can also enroll in, change, or drop Part D drug coverage. The length of your SEP will vary depending upon the circumstances. For example:

- If you notify your Medicare Advantage Plan or Part D plan of a permanent move outside of their service area, you have an SEP to switch to another plan beginning as early as the month before your move, and lasting up to two months after your move.
- If you qualify for Extra Help, Medicaid, or reside in a nursing home, you can change Medicare Advantage and Part D plans every month.
- If you lose employer coverage or creditable drug coverage, you have the right to an eight-month period to enroll in a Medicare Advantage Plan.

For a full list of Special Elections Periods and to learn if you qualify, contact your SHIP.

#### **5) What is the difference between the Part B and Part D late enrollment penalty?**

The **Part B** late enrollment penalty is an amount that is added to your Part B premium. For each full 12-month period you delay enrollment in Medicare Part B, you will have to pay a 10 percent Part B premium penalty, unless you have insurance from your or your spouse's current job. In most cases you will have to pay that penalty every month for as long as you have Medicare. If you are enrolled in Medicare because of a disability and pay premium penalties, you no longer have to pay the premium penalty once you turn 65. Although the Part B premium may be higher based on income for some beneficiaries, your penalty is calculated based on the standard Part B premium. The penalty is then added to your actual premium amount. For example, if you turned 65 in 2010, and you delayed signing up for Part B until 2016 (and you did not have employer insurance that allows you to delay enrollment without a penalty), your monthly premium would be 60 percent higher for as long as you have Medicare (6 years x 10 percent). Since the Medicare Part B premium in 2016 for most people is \$104.90, your monthly premium with the penalty would be \$167.84 ( $\$104.90 \times 0.6 + \$104.90$ ).

The **Part D** late enrollment penalty is an amount that is added to your Part D premium. If at any time after your Initial Enrollment Period there's a period of 63 or more days in a row when you did not have Part D or other creditable prescription drug coverage, you may owe a late enrollment penalty. "Creditable prescription drug coverage" is coverage that is expected to pay at least as much as Medicare's standard prescription drug coverage, on average. If you have a penalty, you may have to pay it each month for as long as you have Medicare drug coverage. Medicare, not the plan, calculates your late enrollment penalty. The amount typically is 1 percent of the national base beneficiary premium for each month that you did not have Part D or creditable prescription drug coverage. In 2016, the national base beneficiary premium for a Part D plan is \$34.10.

SHIP National Technical Assistance Center: 877-839-2675, [www.shiptacenter.org](http://www.shiptacenter.org) | [info@shiptacenter.org](mailto:info@shiptacenter.org)

SMP National Resource Center 877-808-2468 | [www.smpresource.org](http://www.smpresource.org) | [info@smpresource.org](mailto:info@smpresource.org)

© 2016 Medicare Rights Center | [www.medicareinteractive.org](http://www.medicareinteractive.org) | *The Medicare Rights Center is the author of portions of the content in these materials, but is not responsible for any content not authored by the Medicare Rights Center.*

### SHIP Case Study

Giovanni enrolled in Original Medicare during his Initial Enrollment Period, which ended on May 31, 2013. He does not have prescription drug coverage from any other source. He did not enroll in a Medicare prescription drug plan by May 31, 2013 and instead joined during the Open Enrollment Period that ended December 7, 2015. His drug coverage was effective January 1, 2016.

#### o What should Giovanni do?

- Giovanni should contact his SHIP to speak with a counselor who can explain his Part D penalty.
  - If he doesn't know how to find his SHIP, he can go to [www.shiptacenter.org](http://www.shiptacenter.org) or call 877-839-2675 for assistance
- The SHIP counselor will be able to calculate Giovanni's penalty based on the information provided.
  - Since Giovanni went without creditable prescription drug coverage from June 2013 to December 2015, his penalty in 2016 will be 31 percent (1 percent for each of the 31 months) of \$34.10 (the national base beneficiary premium for 2016), or \$10.57. Since the monthly penalty is always rounded to the nearest \$0.10, he will pay \$10.60 each month in addition to his plan's monthly premium.
- How was Giovanni's late enrollment penalty calculated?
  - $.31$  (31 percent penalty)  $\times$  \$34.10 (2016 base beneficiary premium) = \$10.57
  - \$10.57 rounded to the nearest \$0.10 = \$10.60
  - \$10.60 = Giovanni's monthly late enrollment penalty for 2016

### SMP Case Study

Rachel is 70 and recently retired from her job. She was informed by a local Social Security representative that she qualified for a Part B Special Enrollment Period, which allows her to complete her Medicare enrollment within eight months of leaving her job. While researching Medicare Advantage Plans in her area, Rachel received a call-back from a plan administrator who insisted that she only had 30 days to select an MA plan. Rachel told the representative that she was in the second month of her SEP, and was not ready to make a decision. The plan representative promised Rachel a complimentary in-home patient exam as a bonus if she enrolled during their call, and then began to ask for her personal information (e.g., Social Security number, bank account number). Feeling pressured, Rachel provided the information and scheduled a home visit, but after hanging up, she felt troubled by the call.

#### o What should Rachel do?

- Rachel should contact the Senior Medicare Patrol at 877-808-2468 to report the call. At a minimum, the plan representative was violating Medicare marketing guidelines. Rachel may even have been a victim of enrollment fraud.



LOCAL HELP FOR PEOPLE WITH MEDICARE

- The SMP representative will educate Rachel about Medicare’s marketing guidelines, medical identity theft, consumer fraud, and the SMP program’s ability to refer her case to the proper authorities.
- The SMP will also recommend that Rachel contact her bank immediately.
- Additionally, the SMP will instruct Rachel to cancel the home visit. If the Rachel cannot reach the representative who called her, it may even be necessary to contact local law enforcement, since the proposed “home visit” may be from someone only posing as a plan representative.
- The SMP can put Rachel in touch with her local SHIP program for counseling about choosing a plan during her Special Enrollment Period.
- Medicare will determine if plan marketing guidelines have been violated, based on the information Rachel provides.

Local SHIP Contact Information	Local SMP Contact Information
<p><b>SHIP toll-free:</b></p> <p><b>SHIP email:</b></p> <p><b>SHIP website:</b></p> <p><b>To find a SHIP in another state:</b> Call 877-839-2675 or visit <a href="http://www.shiptacenter.org">www.shiptacenter.org</a>.</p>	<p><b>SMP toll-free:</b></p> <p><b>SMP email:</b></p> <p><b>SMP website:</b></p> <p><b>To find an SMP in another state:</b> Call 877-808-2468 or visit <a href="http://www.smpresource.org">www.smpresource.org</a>.</p>

*The production of this document was supported by Grant Numbers 90ST1001 and 90NP0003 from the Administration for Community Living (ACL). Its contents are solely the responsibility of the SHIP National Technical Assistance Center and Senior Medicare Patrol National Resource Center and do not necessarily represent the official views of ACL.*