

From Our Constituent Services Desk...

Our last article gave a brief overview of Medicare benefits. We continue this week with the related topic of Medicare penalties. To obtain the most up-to-date and accurate information on questions we are asked, we contacted the Centers for Medicare and Medicaid Services (CMS). It can be challenging to know when you need to start benefits, and what coverage is best for you. A frequent question our office receives is regarding the 10% penalty that will occur for taking certain Medicare benefits late. Below is the CMS response we received on this issue.

Why am I being penalized for signing up late?

“A Medicare beneficiary may have to pay a Part A and/or Part B premium penalty for delayed enrollment based on the Social Security Act (Federal law).

Part A penalty rules:

- *Medicare Part A is free if a person paid enough Medicare taxes while working. A person must have 40 quarters of coverage (QCs) in order to obtain free Medicare Part A coverage. The Social Security Administration (SSA) guidelines define a quarter of coverage as the basic unit for determining whether a worker is insured under the Social Security program.*
- *If a person does not have 40 QCs upon Medicare eligibility, they will have to pay a Part A premium. The Part A premium rate is determined by SSA based on the number of QCs a person has earned. **The Medicare Part A penalty percentage is 10% for those who delayed enrollment for 12 months or more.***

Part B penalty rules:

- *Medicare Part B is optional. It is not funded from payroll taxes like Part A, but requires every beneficiary to pay a monthly premium.*
- *In most cases, if a person does not sign up for Part B when they are first eligible, they will have to pay a late enrollment penalty. They will have to pay this penalty for as long as they have Part B.*
- ***Their monthly premium for Part B may go up 10% for each full 12-month period that they could have had Part B, but did not sign up for it.** However, a person may not have to pay a late enrollment penalty if they meet certain conditions that allow them to sign up for Part B during a Special Enrollment Period.*

Although the Centers for Medicare & Medicaid Services has the primary responsibility for the administration of the Medicare program, issues that involve Medicare eligibility, enrollment, disenrollment, and penalty charges within the jurisdiction of SSA. Therefore, a person must contact SSA to dispute a Medicare late enrollment penalty.”

We hope this helps clear up some of the questions regarding the penalty for not signing up when eligible. If you have other questions, or a specific problem with Medicare, please contact our office at caseworkgal1@mail.house.gov or (770) 429-1776. We look forward to serving you should you need our assistance.