

## Medicare Plan Webinar Q & A

**Q: *Are the penalties just for that year that was enrolled late or is more cumulative approach?***

**A:** If a person does not qualify for free Part A (hospital), and If you have to buy Part A, and you don't buy it when you're first eligible for Medicare, your monthly premium may go up 10%.

You'll have to pay the higher premium for twice the number of years you didn't sign up.

If you were eligible for Part A for 2 years but didn't sign up, you'll have to pay the higher premium for 4 years. Usually, you don't have to pay a penalty if you meet certain conditions that allow you to sign up for Part A during a special enrollment period.

If you have limited income and resources, your state may help you pay for Part A, and/or Part B. You may also qualify for Extra Help to pay for your Medicare prescription drug coverage.

For Part B (medical) If you didn't get Part B when you're first eligible, your monthly premium may go up 10% for each 12-month period you could've had Part B but didn't sign up. In most cases, you'll have to pay this penalty each time you pay your premiums, for as long as you have Part B. And, the penalty increases the longer you go without Part B coverage.

Usually, you don't pay a late enrollment penalty if you meet certain conditions that allow you to sign up for Part B during a Special Enrollment Period. Read more about different situations that may affect when you decide to get Part B.

If you have limited income and resources, your state may help you pay for Part A, and/or Part B. You may also qualify for Extra Help to pay for your Medicare prescription drug coverage.

*Example:*

Your Initial Enrollment Period ended December 2016. You waited to sign up for Part B until March 2019 during the General Enrollment Period. Your coverage starts July 1, 2019. Your Part B premium penalty is 20% of the standard premium, and you'll have to pay this penalty for as long as you have Part B. (Even though you weren't covered a total of 27 months, this included only 2 full 12-month periods.)

For Medicare Part D: The late enrollment penalty is an amount that's permanently added to your Medicare drug coverage (Part D) premium. You may owe a late enrollment penalty if at any time after your Initial Enrollment Period is over, there's a period of 63 or more days in a row when you don't have Medicare drug coverage or other creditable prescription drug coverage . You'll generally have to pay the penalty for as long as you have Medicare drug coverage.

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[Learn how to avoid the late enrollment penalty.](#)

Note
If you get Extra Help, you don't pay the late enrollment penalty.

The cost of the late enrollment penalty depends on how long you went without Part D or creditable prescription drug coverage.

Medicare calculates the penalty by multiplying 1% of the "national base beneficiary premium" (\$32.74 in 2020, \$33.06 in 2021) times the number of full, uncovered months you didn't have Part D or creditable coverage. The monthly premium is rounded to the nearest \$.10 and added to your monthly Part D premium.

The national base beneficiary premium may change each year, so your penalty amount may also change each year.

**Q: *If someone is penalized for not taking Part B while on disability, does the price (premium) reset when they turn 65?***

**A:** No, if you didn't get Part B when you're first eligible, your monthly premium may go up 10% for each 12-month period you could've had Part B but didn't sign up. **In most cases, you'll have to pay this penalty each time you pay your premiums, for as long as you have Part B.** And the penalty increases the longer you go without Part B coverage.

**Q: *Is there a limit to how much the Medicare Part B Premium can increase?***

**A:** Yes, The Medicare hold harmless provision prevents a recipient's Social Security **benefits** from being reduced due to Medicare Part B premiums. Part B premiums cannot be increased more than the Cost of Living Adjustment or annual increase. COLA increase for 2021 is 1.3%. The Part B premium cannot increase greater than the increase in the income. Example: Mary received a COLA increase of \$20, but the Part B premium increase is \$25. The premium can only increase by an amount equal to or less than the COLA or \$20 for that year.

There is no limit to the amount the Part B premium may increase due to late enrollment penalty.

**Q: *I am not clear on the enrollment. Do they have to remember to call back 3x's?***

**A:** If the individual is turning 65 and already receiving benefits from Social Security, they will be automatically enrolled into Part A & B for the month they turn 65. They should receive a card 3 month prior to the month they turn 65. If they are not receiving Social Security benefits and enrolling during their initial enrollment period, they may apply with Social Security for Medicare Part A & B at the same time. The same individual also wanting to enroll in a Medicare prescription drug coverage may contact MMAP at 1-800-803-7174 to do a plan comparison and

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enroll in the plan they choose. They do not have to enroll in prescription drug coverage, but if they decide to enroll later, then they may have to pay a late enrollment penalty.

**Q: *Does someone speak Spanish at the eight hundred number (1-800-803-7174)?***

**A:** Someone who does not speak English call the number, they may need to leave a message and someone speaking their natural language will contact the individual or someone who could translate for the individual.

**Q: *What is the next step in looking into MMAP counselor training?***

**A:** If you are interested in more information or wish to become a MMAP counselor, please contact your local Area Agency on Aging at **1-800-803-7174**.

[http://mmapinc.org/wp/wp-content/uploads/2016/11/Volunteer-brochure\\_12-14-15.pdf](http://mmapinc.org/wp/wp-content/uploads/2016/11/Volunteer-brochure_12-14-15.pdf)

**Q: *Can he (?) have an HSA from his employer that he can use to help cover some of the cost of co-pays?***

**A:** If you have a Health Savings Account (HSA) with a **High Deductible Health Plan (HDHP)** based on your or your spouse's current employment, you may be eligible for an SEP. To avoid a tax penalty, you should stop contributing to your HSA at least 6 months before you apply for Medicare. Remember, premium-free Part A coverage begins 6 months before the month you apply for Medicare (or Social Security/RRB benefits), but no earlier than the month you turn 65. You can withdraw money from your HSA after you enroll in Medicare to help pay for medical expenses (like deductibles, premiums, coinsurance or copayments). If you'd like to continue to get health benefits through an HSA-like benefit structure after you enroll in Medicare, a Medicare Advantage [Medical Savings Account \(MSA\) Plan](#) might be an option.

**Q: *If you had private health insurance while being 65 and chose to opt out of enrolling into Medicare until you were 70. Would you still have a penalty after getting Medicare? Even if you had coverage from 65-70?***

**A:** If you aren't getting benefits from Social Security (or the RRB) at least 4 months before you turn 65, you'll need to sign up with Social Security to get Parts A and B. However, **depending on the size of the employer, you may be able to delay Parts A and B without having to pay a penalty if you enroll later.** [Learn more about whether you should get Parts A and B.](#)

If you have purchased a health insurance policy through the Health Care Marketplace (Obamacare) you may keep the policy, but you would lose any subsidy they qualify for to pay the premium if they could enroll in Medicare A. It is unusual that someone would have to pay for Medicare Part A, so there would be no benefit to delay Medicare Part A enrollment.

**Q: *Difference between Medigap, and part C coverage?***

**A:** Medigap or Medicare Supplement is a specific level of coverage that covers the deductibles, copays or coinsurances of Medicare and is accepted by medical providers that accept Medicare. Medicare Advantage Plans or Part C plans are health insurance companies that provide Medicare covered services within a network like a Health Maintenance Organization (HMO), Preferred

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Provider Organization (PPO), etc. that requires the individual to receive services within a defined network or be responsible for the whole amount or a higher amount of the medical expense. They may offer additional benefits such as dental, vision and hearing, that are not normally covered by Original Medicare.

**Q: *Is Medicare Savings Program and Extra Help (Low Income Subsidy) two separate programs?***

**A:** Yes. Medicare Savings Program helps pay Part B premiums and sometime Part A premiums if the individual does not qualify for free Part A. The eligibility for this program is determined by the Michigan Department of Health and Human Services with income limits up to 135% of Federal poverty level.

Extra Help or Low-Income Subsidy helps pay Part D premiums and prescription deductibles, copays and coinsurances. Eligibility is determined by Social Security Administration with income limits up to 150% of Federal Poverty Level.

**Q: *If you are 65 but still working and have insurance through your employer, will you be penalized for not signing up for Plan B?***

**A:** No. The size of the employer determines whether you may be able to delay Part A and Part B without having to pay a penalty if you enroll later.

**The employer has fewer than 20 employees.**

You should sign up for Part A and Part B [when you're first eligible](#). In this case, [Medicare pays before your other coverage](#). [Learn more about how to get Parts A and B](#).

### Note

If you don't enroll [when you're first eligible](#), you may have to pay a [Part B late enrollment penalty](#), and you may have a gap in coverage if you decide you want Part B later.

**The employer has 20 or more employees.**

Ask your benefits manager whether you have group health plan coverage (as defined by the IRS). People with group health coverage based on current employment may be able to delay Part A and Part B and won't have to pay a lifetime late enrollment penalty if they enroll later. If you want to delay both Part A and Part B coverage, you don't need to do anything when you turn 65.

If you're eligible for premium-free Part A, you can enroll in Part A at any time after you're first eligible for Medicare. Your Part A coverage will go back (retroactively) 6 months from when you sign up (but no earlier than the first month you're eligible for Medicare).

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If you aren't eligible for premium-free Part A, and you don't buy it when you're first eligible, you may have to pay a penalty.

**Q: *When you enroll in Medicare through SSA do you select your plan then?***

**A:** No. You may enroll in Medicare A & B and keep Original Medicare without choosing any other coverage. Someone may choose a Medigap or Medicare Supplement plan to help cover the deductibles, copays and coinsurances of Original Medicare. If you want to join a Medicare Advantage Plan it replaces your coverage under Original Medicare, and you will receive your Medicare coverage through a commercial insurance company using a network of providers. You may add/enroll in a prescription drug plan if you want prescription coverage with your Original Medicare or your Medicare Advantage Plan does not include prescription drug coverage, however, most advantage plan do cover prescriptions.

**Q: *If you are not drawing social security how is the monthly premium paid?***

**A: 1. Pay online [through your secure Medicare account](#)** — You can pay by credit card, debit card, or from your checking or savings account. [Learn more about paying your premiums online.](#)

**2. Pay directly from your savings or checking account through your bank's [online bill payment service](#)** — learn what information you need to have ready when you contact your bank to set up this service.

**3. Sign up for [Medicare Easy Pay](#)**, a free service that automatically deducts your premium payments from your savings or checking account each month. We'll deduct your premium from your bank account, usually on the 20th of the month.

**4. Mail your payment to Medicare** — You can pay by check, money order, credit card, or debit card. Fill out the payment coupon that comes with your bill. Payments sent without the coupon may be delayed.

If you pay by credit/debit card, enter the account information and expiration date as it appears on your card. Be sure to sign the coupon.

Mail your Medicare payment coupon and payment to:

*Medicare Premium Collection Center  
PO Box 790355  
St. Louis, MO 63179-0355*

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**Q: *If you enroll in Medicare during the enrollment "grace" period will you still be charged the high penalty?***

**A:** There is no period called a grace period for Medicare enrollment. A person enrolls during their initial enrollment period when they first turn 65 or become eligible for Medicare due to a disability. There are special enrollment periods, <https://www.medicare.gov/sign-up-change-plans/when-can-i-join-a-health-or-drug-plan/special-circumstances-special-enrollment-periods>, and if they enroll during one of the special enrollment periods, they would not have to pay a late enrollment penalty. If someone does not qualify for a Special Enrollment Period, then they may have to pay a late enrollment penalty.

**Q: *How do I find out what their plan is when they call me and don't know themselves?***

**A:** As a MMAP training counselor, you would be able to assist the individual by logging into the "My Medicare" account if they have created one or you may be able to assist them with creating a My Medicare account. Once you have logged into the account, you may see the current coverage. <https://account.mymedicare.gov/>

**Q: *If the Medigap insurance company decides to no longer participate, and you have to find a new insurance company, will the penalty be waived in this situation?***

**A:** Individuals who are insured by a Medigap policy would be allowed a guarantee issue right to enroll into another Medigap plan with another company.

You have a guarantee issue right if your Medigap insurance company goes bankrupt and you lose your coverage, or your **Medigap policy coverage otherwise ends through no fault of your own**.

They have the right to buy Medigap Plan A, B, C\*, D\*, F\*, G\*, K, or L that's sold in your state by any insurance company, no later than 63 calendar days from the date your coverage ends.

**Q: *I have had someone contact me who had Part A for 22 years and did not have part B. She stated she was losing Medicare this month and was looking for information for Medicaid. She is 63. Will she be eligible for Medicare again and will she pay the penalty when she signs up again?***

**A:** Once they turn age 65, because that is the age at which someone without a disability qualifies for Medicare Part A & B, they may enroll in Medicare A & B due to age and should be able to enroll without a late enrollment penalty.

**Q: *Will you be charged the Medicare penalty (if you have to go back to original Medicare) if you can go for Medicare Advantage?***

**A:** If someone no longer wants to receive their Medicare health benefits through a Medicare Advantage Plan, there is no late enrollment penalty for returning to Original Medicare A & B, because an individual must continue to be enrolled in Medicare A & B to while in a Medicare Advantage Plan, so there is no gap in the Medicare coverage.

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**Q:** *If you are low income, can you get Medicaid and not Medicare?*

**A:** Someone may receive both Medicare and Medicaid. If someone qualifies for Medicare but does not enroll in Medicare Part A & B, then Medicaid will not pay for services that would have been paid by Medicare. Many times, a person who qualifies for Medicaid will also qualify for help to pay Medicare Part B premiums, so that enrolling in Medicare will not be an additional cost. Depending on their income and assets, they may also get help paying their Part A premiums if they do not qualify for free Part A. The program that helps low income and asset individuals with their Part A & B premiums is called the Medicare Savings Program.