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Medicare expands on deadline to offer to reverse penalties for late enrollment

In March, 2017, the Centers for Medicare and Medicaid Services (CMS) announced that those beneficiaries who turned 65 years, and failed to drop their Affordable Care Act (ACA) coverage and enroll in Medicare Parts B and D, had an opportunity to correct the error and eliminate the penalty. Medicare Part B premiums jump 10 percent for every 12 month period that one fails to choose Part B coverage and have no creditable coverage. Unfortunately, some people mistakenly thought that it was acceptable to continue with marketplace plans and avoid paying for Medicare Part B. Reuters News reports that CMS has expanded the opportunity to enroll for Medicare Parts B and D and reverse the penalties that have attached; however, this opportunity expires on September 30, 2018. (<https://www.reuters.com/article/us-column-miller-medicare/u-s-medicare-expands-offer-to-reverse-late-enrollment-penalties-idUSKBN1J91CY>). Mark Miller, the author of the article, calls it “the Obamacare-Medicare penalty.”

Some of the confusion results from the fact that many people continue to work until at least full retirement age or beyond in order to qualify for full Social Security benefits or for other reasons. Those on Social Security Disability do not qualify for Medicare until 25 months after being approved for disability benefits. However, the law requires that at age 65 years, or upon qualifying for Medicare if disabled, Medicare beneficiaries must apply for Medicare Part B within three months before or three months after his or her 65th birthday (or upon qualification for those on SSD) *unless* the beneficiary can prove that he or she has creditable coverage. Unfortunately, ACA coverage from the marketplace does not qualify as creditable coverage. So many people were caught in this tricky transition from ACA plans to Medicare that CMS allowed a period of time to correct the issue. Therefore, people who became eligible for Medicare on April 1, 2013 or later are eligible for the “time-limited equitable relief” if they were enrolled in Part A *and* a marketplace plan. This is a chance to get into Part B and avoid gaps in coverage or late enrollment penalties.

Since relief is considered on a case by case basis, the beneficiary must visit the local Social Security Administration (SSA) office, bringing all relevant paperwork, including evidence that he or she has been enrolled in a marketplace plan. There is an issue with implementing this plan, however. The advice from Social Security field office personnel has been described as variable or uneven. SSA has attempted to alleviate this issue by providing staff with detailed refresher training. The law regarding time limitations on equitable relief for Part B is complex. Consider coming to the appointment with all relevant documentation, including a copy of the article referenced above, and ask for a supervisor if you are summarily turned away. The instructions for field offices are found at bit.ly/2Jyzz8s. Copy and paste into your browser and the instructions will be available to you; bring them to the appointment also. Do not delay since the time to accomplish this is running out.