



## Assistance for Individuals with Medicare Part A and Exchange Coverage Information for SHIPs and Exchange Assisters

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CMS is offering assistance to Medicare beneficiaries currently enrolled in Medicare Part A and coverage through a Health Insurance Exchange (also referred to as Marketplace) for individuals or families. This assistance provides eligible individuals with an opportunity to enroll in Medicare Part B without incurring penalties that would otherwise apply.

Further, CMS is offering assistance to eligible individuals who were dually enrolled in Medicare Part A and coverage through an Exchange plan and subsequently enrolled in Part B with a penalty after their initial enrollment period. This assistance provides these individuals an opportunity to request a reduction in their Part B late enrollment penalty.

**What's New (October 2019):** CMS is phasing out this assistance by extending eligibility for it through June 30, 2020 while increasing CMS communication efforts to individuals eligible for Medicare coverage so they can know about the risks of delayed enrollment in Part B. Individuals who meet the eligibility criteria can request this assistance at any time, even after June 30, 2020. This tip sheet explains the assistance, eligibility criteria and steps for Medicare beneficiaries to take if they want to enroll in Part B or request a penalty reduction.

### **Q1. Why is CMS offering this assistance?**

Coverage under Medicare Part A (including those who elect coverage through Part C/Medicare Advantage) meets the legal requirement for minimum essential coverage, sometimes called qualifying health coverage (QHC). Thus, individuals with Part A are not eligible to receive premium and cost-sharing assistance (often referred to as advanced payments of the premium tax credit (APTC) and income-based cost-sharing reductions (CSRs)) to help pay for an Exchange plan premium and covered services to make the costs of an Exchange plan more affordable. Individuals receiving APTC while dually-enrolled in an Exchange plan and Medicare may have to pay back all or some of the APTC received for months the individual was enrolled in both Exchange coverage with APTC and Medicare Part A when they file their federal income tax return.

Some people may have had coverage through the Exchange (and possibly receiving APTC or CSRs) before being eligible for Medicare. When first eligible for Medicare, these individuals may have refused or dropped Part B coverage because the costs for Exchange coverage were more affordable than Part B, and they believed they were (or continued to be) eligible for APTC and CSRs.

In addition, some people with Part A coverage may have enrolled in Exchange coverage believing it was an alternative way to get medical coverage equivalent to Part B at a more affordable cost. These individuals may not have found out about the disadvantages of not

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accepting Part B enrollment prior to the end of their Medicare Initial Enrollment Period (IEP) or their Part B Special Enrollment Period (SEP) for the working aged or disabled, resulting in them either 1) staying in their Exchange plan because of the more affordable cost for that coverage; or 2) enrolling in Part B during the Medicare General Enrollment Period (GEP) and incurring a Part B late enrollment penalty.

CMS believes that these individuals did not receive the information necessary at the time of their Medicare IEP, Part B SEP for the working aged or disabled, or initial enrollment in the Exchange to make an informed decision regarding their Part B enrollment.

### **Q2. What is the assistance?**

CMS is offering assistance to certain individuals enrolled in both Medicare Part A (and/or Part C) and Exchange coverage for individuals and families to enroll in Part B without penalty or to reduce (or eliminate) the late enrollment penalty if they are already enrolled in Part B. Further, CMS is offering assistance to certain individuals who dropped or no longer have coverage from the Exchange and are paying a Part B late enrollment penalty from their subsequent enrollment into Part B. These eligible individuals can have their penalty reduced. Individuals who meet the eligibility criteria for this assistance can apply for the Part B special enrollment and reduction in late enrollment penalties at any time.

### **Q3. Who is eligible for the assistance?**

This offer of assistance is limited to certain individuals who could have enrolled in Medicare Part B, but did not do so during their Medicare IEP or Part B SEP for the working aged or disabled, and currently are or were enrolled in Exchange coverage for individuals or families.

To be eligible for the assistance, the individual must be enrolled in premium-free Medicare Part A  
**AND:**

- Have a Part A entitlement date between July 2013 and June 2020, OR
- Have been notified by Social Security of retroactive Part A entitlement between October 1, 2013 and June 30, 2020, OR
- Have a Part B SEP that ended between October 1, 2013 and June 30, 2020.

To be eligible for the assistance to enroll in Part B, the individual must currently have premium-free Medicare Part A and not be enrolled in Part B. To be eligible for the Part B penalty reduction, the individual must have incurred a Part B late enrollment penalty from enrolling in the 2015, 2016, 2017, 2018, 2019 or 2020 GEP. In some instances, the penalty may be eliminated.

Individuals must request the assistance and provide documentation showing enrollment in Exchange coverage for individuals and families.

Notes:

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- Individuals who meet the eligibility criteria can request the assistance at any time.
- Individuals who received the CMS notice regarding their dual enrollment may be eligible for this assistance, even if they enrolled in the 2015, 2016, 2017, 2018, 2019 or 2020 GEP. The eligibility criteria outlined above must be met.
- Individuals currently in their IEP or Part B SEP for the working aged or disabled are not eligible for this assistance as they can currently enroll in Part B without a late enrollment penalty. This assistance cannot change the Part B coverage start date for individuals in their IEP or Part B SEP.
- Individuals enrolled in a SHOP Exchange plan are not eligible for this assistance, as they have employer-sponsored group health plan coverage and may have a statutory special enrollment period (SEP) available to them to obtain Part B coverage without penalty.
- Individuals paying a premium for Part A are not eligible for this assistance because they are required by law to also be enrolled in Part B. These individuals can choose to terminate their premium Part A coverage and get their coverage from the Exchange (with APTC and income-based CSRs, if eligible for that program).

### **Q4. Why can't people whose Part A started on or before July 2013 get the assistance?**

These individuals are not eligible for the assistance because Exchange coverage (and related subsidies) weren't available to them during their IEP nor a factor in their decision to refuse or drop Part B coverage.

### **Q5. Why can't people whose Part B SEP for the working aged or disabled ended on or before September 30, 2013 get the assistance?**

These individuals are not eligible for the assistance because Exchange coverage (and related subsidies) weren't available to them during their Part B SEP for the working aged or disabled, nor a factor in their decision to refuse of drop Part B.

### **Q6. Does the assistance apply to people with Medicare based on age and other reasons, such as disability?**

Yes. The basis for an individual getting Medicare isn't a criterion for this assistance.

### **Q7. What type of documentation does the person need to provide?**

To be eligible for this assistance, individuals must show documentation reflecting their enrollment in Exchange coverage for individuals or families. Acceptable documentation includes:

- A [Periodic Data Match \(PDM\) notice](#) mailed to dually-enrolled individuals (those enrolled in both Medicare and an Exchange plan for individuals and families with APTC);
- An Exchange [eligibility determination notice](#) (can be accessed via the consumer's Exchange Account);

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- [IRS Form 1095-A](#) that demonstrates months of coverage and/or subsidy amounts;
- Exchange plan premium invoices;
- Receipt of premium binder payment effectuating Exchange enrollment; or
- Other [documentation](#) that clearly reflects the person was enrolled in coverage through the Exchange for individuals or families.

In addition, individuals who enrolled in Exchange coverage instead of Part B during their group health plan (GHP) SEP will also need to provide evidence of GHP coverage based on current employment via [Form CMS-L564](#) (Request for Employment Information).

### **Q8. Why is CMS offering this assistance?**

CMS continues to believe that many individuals did not receive the information necessary at the time of their Medicare IEP, Part B SEP for the working aged or disabled, or initial enrollment in Exchange coverage to make an informed decision regarding their Part B enrollment. As a result, many individuals refused or dropped Part B.

### **Q9. Why is CMS extending the offer of assistance?**

The assistance for individuals dually enrolled in both Medicare and Exchange coverage has been extended to individuals who are dually enrolled by June 30, 2020 while we have instituted new ways to mitigate dual enrollment and ensure beneficiaries receive communications from CMS about the risks to delayed enrollment in Part B. CMS has updated Medicare enrollment communications to include additional information about the risks of continuing Exchange coverage after getting Medicare and not enrolling in Part B. CMS is continuously working to ensure that individuals dually-enrolled in both Medicare and Exchange coverage have the information to make informed decisions related to enrolling in Part B and understand the transition in their coverage from Exchange coverage to Medicare.

### **Q10. If someone enrolls in Part B through this assistance, when will coverage begin?**

For most individuals, Part B coverage will begin the month the individual enrolls. To ensure there are no gaps in coverage, we encourage individuals to enroll in Part B using this assistance first, and continue Exchange coverage until they are notified of their confirmed Part B enrollment.

Some people who received the CMS notice in summer 2016 ended their APTC, but remained in Exchange coverage. These individuals may have found their Exchange plan premiums unaffordable without that premium tax credit assistance and may have had their Exchange coverage terminated for non-payment of premiums. Per Exchange disenrollment rules, these individuals could lose their Exchange coverage with up to two months of retroactivity. Thus, those individuals have the option to request that Part B coverage start two months back from when they complete their request. Premiums must be paid for all months of Part B coverage, even if retroactive.

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### **Q12. Will people be notified of the offer for assistance?**

In 2017, CMS mailed notices to beneficiaries entitled to Medicare Part A who were also enrolled in a plan through an Exchange using the federal eligibility and enrollment platform. In addition to information about the loss of eligibility for APTC/CSR, this notice advised beneficiaries that they may be able to enroll in Part B without penalty or having to wait for the GEP. Likewise, in March 2018, CMS mailed a notice to these dually-enrolled beneficiaries conveying similar information, and advising individuals with Part B coverage that they may be able to have their late enrollment penalty reduced.

In summer 2018, CMS mailed two notices to individuals offering the assistance. The first went to individuals with Medicare Part A who were also enrolled in coverage through an Exchange and who were receiving financial assistance (i.e., APTC). The second notice went to all those enrolled in Medicare Part A and an Exchange plan.

Between December 2018 and April 2019 – CMS had engaged all of the State Based Exchanges to inform them of the relief and provided them with equitable relief language to include in their notices, website and other outreach materials.

In 2019, CMS implemented a process Periodic Data Matching (PDM) process to notify and remove Exchange coverage for consumers that were dually enrolled in Exchange and Medicare coverage. CMS successfully implemented four rounds of PDM in 2019.

Finally, in December 2019, CMS will start a new monthly mailing to all Exchange enrollees who will turn 65 within the next month to notify them of the important decisions related to Medicare enrollment.

### **Q13. What should people do to take advantage of this offer for assistance?**

Individuals who were notified or believe they are eligible for the assistance should contact Social Security at 1-800-772-1213 (TTY users should call 1-800-325-0778) or visit their local Social Security office and request to take advantage of the offer of assistance. They can ask for “equitable relief” when they make their request for Medicare Part B enrollment or penalty removal. Individuals should mention that they were dually enrolled in Medicare free Part A and Exchange coverage and provide the information listed in question 7 above.

Individuals requesting to enroll in Part B should complete a Part B enrollment form ([Form CMS-40B](#)) available online on [Medicare.gov](#), [CMS.gov](#) and [SSA.gov](#). They can complete this form and take it to Social Security with them when they request the assistance.

Individuals who didn't enroll in Part B during their group health plan (GHP) SEP for the working aged or disabled also need to show evidence of GHP coverage based on current employment via [Form CMS-L564](#) (Request for Employment Information).

Individuals requesting penalty reduction should mention this assistance (equitable relief) when

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they visit Social Security.

ALL individuals must bring their documentation of Exchange enrollment and provide it to Social Security when making their request.

To request this assistance, individuals can:

- Call SSA at 1-800-772-1213 (TTY users should call 1-800-325-0778); or
- Visit [SSA.gov](https://www.ssa.gov) to find a local Social Security office

### **Q14. Will people who drop Exchange coverage or enroll in Part B get an SEP to enroll in Part C or Part D?**

Yes. Individuals have an SEP to enroll in a Medicare Advantage plan (with or without prescription drug coverage) when they are notified by SSA confirming the start of their Part B enrollment. Because the assistance provides for an effective date to be the month of application or retroactive up to two months, notification of the Part B enrollment will occur after the Part B coverage starts. As such, this SEP begins the month the individual receives notice of the Part B enrollment confirmation and ends two months later. The effective date of Part B coverage for this SEP depends on the individual's situation, but it may be retroactive back to the first day of the month in which the individual received the notice from SSA.

Individuals also have a SEP to enroll in Part D prescription drug coverage. The SEP begins the month in which the Exchange coverage terminates and ends two months later. The effective date of coverage for this SEP is the first of the month after the plan receives the enrollment request. Individuals who enroll in a Medicare Advantage plan generally get their Part D coverage through the Medicare Advantage plan and cannot enroll in a stand-alone Part D plan, subject to limited exceptions. Individuals who stay in Original Medicare may enroll in a stand-alone Medicare Part D plan. If they don't have another form of creditable prescription drug coverage and fail to enroll in Part D coverage, an individual might have a late enrollment penalty for Part D if they enroll at a later time.

Individuals who enroll in a Medicare Advantage plan generally get their Part D coverage through the Medicare Advantage plan and cannot enroll in a stand-alone Part D plan, subject to limited exceptions. Individuals who stay in Original Medicare may enroll in a stand-alone Medicare Part D plan. If they don't have another form of creditable prescription drug coverage and fail to enroll in Part D coverage, an individual might have a late enrollment penalty for Part D if they enroll at a later time.

Prescription drug coverage offered by Exchange plans may be considered creditable coverage. Individuals should verify whether the coverage they have through their Exchange plan is creditable. If the Exchange plan coverage is creditable, individuals should include their dates of

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coverage in the Exchange plan as creditable coverage, if asked by the Part D plan, so that the months the person had prescription drug coverage in the Exchange are not counted towards any possible assessment of a Part D late enrollment penalty.

As individuals will be assessed a Part D late enrollment penalty if they go without Part D or other creditable coverage for 63 days or more, we encourage individuals to enroll in a Part D plan (either a stand-alone Part D plan or a Medicare health plan with Part D coverage) as soon as they drop their Exchange coverage.

To find Medicare health and prescription drug plans offered in your area, visit [Medicare.gov/find-a-plan](https://www.medicare.gov/find-a-plan).

### **Q15: What should people do if they believe they qualify for the relief but they were turned away from SSA?**

Individuals who believe they qualify should be directed back to SSA. They should ask for “equitable relief” when they make their request for Medicare Part B enrollment or penalty reduction. Individuals should mention that they were dually enrolled in Medicare free Part A and Exchange coverage and provide the information listed above.

Individuals requesting penalty reduction should mention this assistance (equitable relief) when they contact Social Security.

ALL individuals must bring their documentation of Exchange coverage and provide it to Social Security when making their request.

To request this assistance, individuals can:

- Call SSA at 1-800-772-1213 (TTY users should call 1-800-325-0778); or

Visit [SSA.gov](https://www.ssa.gov) to find a local Social Security office.

### **Q16: What if people have problems affording the monthly Medicare premiums?**

If consumers have limited income and resources, they may qualify for help paying their Medicare costs. [The Medicare Savings Programs](#) help pay for Medicare Part A and B costs. Consumers apply through their State Medicaid Offices.

[Extra Help](#) helps pay for Medicare prescription drug coverage (Part D). Some consumers automatically receive Extra Help -- those with Medicaid, the Medicare Savings Programs, or Supplemental Security Income. All others must complete an application at Social Security (<https://secure.ssa.gov/i1020/start>).

### **Q17. How can SHIPs and Exchange Navigators help?**

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CMS encourages SHIPs and Exchange Navigators to share the availability of this offer of assistance with Medicare-eligible individuals they assist.

To help, they can:

- Make eligible individuals aware of this offer for assistance;
- Provide the information they need to bring with them to make their request;
- Explain the implications of being dually enrolled in Medicare and Exchange coverage, including the loss of eligibility for premium tax credits, potential tax liability, limited times for Part B enrollment and the penalty;
- Advise individuals with Medicare (and those soon to be eligible) of the ineligibility to get the tax premium credits and cost-sharing assistance once Medicare Part A begins;
- Encourage individuals with Medicare free Part A to enroll in Part B;
- Remind individuals to enroll in Part D if they do not have another form of creditable coverage; and
- Advise individuals soon to be eligible for Medicare that they may want to drop Exchange coverage and enroll in Medicare during their IEP.

All these items will help individuals make informed decisions regarding their healthcare coverage.

### **For more information:**

- Go to <https://marketplace.cms.gov/applications-and-forms/notices.html> and scroll to the section called “Periodic Data Matching Notices” for a sample of the Medicare Periodic Data Matching notice.
- See examples of other [documentation](#) to show enrollment in Exchange coverage for individuals and families.