



CMA Weekly Alert – December 14, 2006

## **PUT IN ON YOUR CALENDAR: MEDICARE GENERAL ENROLLMENT PERIOD BEGINS JANUARY 1, 2007**

The Medicare General Enrollment Period for 2007 runs from January 1 through March 31, 2007. General Enrollment is an annual opportunity for individuals who are eligible for, but not enrolled in, Medicare Parts A and/or B to enroll.

Enrollment in Part A, for those not entitled to premium-free Part A, is necessary for individuals wishing to enroll in a private health plan under Medicare Part C (Medicare Advantage) and for low income individuals wishing to participate in the Medicare Savings Program.

Enrollment in the voluntary Part B of Medicare took on new significance in 2006 with the advent of the Medicare Part D prescription drug program. For one thing, Part B provides a route to eligibility for Part D for those who do not have Medicare Part A. For another, drugs that are covered under Part B are excluded from coverage under Part D, regardless of whether the Part D enrollee is enrolled in Part B.

This Alert discusses how the different parts of Medicare interact with respect to eligibility. A future Alert will discuss the importance of the General Enrollment period for low income Medicare beneficiaries who want to get help paying for their Medicare cost-sharing.

**Part A** – covering hospitalization, skilled nursing facility services, some home health and hospice – is available to most beneficiaries premium-free beginning at their 65th birthday or when they have been receiving Social Security disability benefits for 24 months. Those beneficiaries who are not entitled to premium-free Part A, because their employment was not sufficiently covered by Social Security or Railroad Retirement, can pay a premium (for 2007 either \$226 or \$410 per month, depending on how many quarters of Social Security coverage the individual has) to enroll, but they must have Part B to do so. A time-limited penalty is imposed on those enrolling in Part A after their first opportunity to do so. Part A is necessary, but not sufficient, to enroll in Part C (private managed care plans) and sufficient to enroll in Part D (private prescription drug plans). General enrollment for Part A is available January through March of each year, with benefits starting July 1 of that year.

**Part B** – covering physicians' services, outpatient therapies, durable medical equipment, long-term home health services and other outpatient services – is voluntary and available to beneficiaries at the same time they are eligible for Part A. The monthly premium, \$93.50 per month for most people in 2007, is generally deducted from a beneficiary's Social Security or Railroad Retirement check. A non-time-limited penalty is imposed for late enrollment. Part B is necessary for Part A enrollment for those not entitled to premium-free Part A, is necessary but

not sufficient for Part C enrollment, and is sufficient to enroll in Part D. The general enrollment period is the same as for Part A.

**Part C (Medicare Advantage)** – provided through private managed care plans most commonly organized as health maintenance organizations and required to cover all the services covered under Parts A and B - is voluntary and available at the same time a beneficiary is first entitled to Parts A and B. A beneficiary must have both Parts A and B to be eligible to enroll in Part C. General enrollment is from November 15 through December 31 of each year, with benefits starting January 1 of the following year. Beginning in 2007, beneficiaries are able to change plans once during the first three months of the year. Part C plans can offer a prescription drug plan under Part D. There is no late enrollment penalty for Part C.

**Part D** – provided through private plans offering prescription drug coverage - is voluntary and available at the same time a beneficiary is receiving Part A or Part B. General enrollment is from November 15 through December 31 each year. A beneficiary must have either Part A or Part B to enroll in Part D. Otherwise coverable Part D drugs that are covered under Part A or Part B will not be covered under Part D, regardless of whether the beneficiary has Part A or Part B coverage. A non-time-limited late enrollment penalty is determined by application of two formulas and assessing as a penalty the one that yields the highest amount.

**General Enrollment Period.** As noted above, January through March each year is the Medicare General Enrollment period for Parts A and B for those who have not enrolled in the program during the seven months surrounding their 65<sup>th</sup> birthday, when they have received Social Security disability payments for 24 months or during a special enrollment period to which they may be entitled. Beneficiaries enrolling during a general enrollment period are entitled to benefits beginning the July following their enrollment.

**Medicare Savings Programs (MSPs).** Often people do not enroll in Part B because they cannot afford the monthly premium. For those with incomes below 135% of the federal poverty levels (\$1,102.50/month in early 2007, but will increase by February or March) and few resources, Medicare Savings Programs, operated by state Medicaid programs, will pay the premium. In addition, for those with incomes below 100% of poverty levels (now \$817/month; will increase in February or March), one of the MSPs, called the Qualified Medicare Beneficiary Program (or QMB), will pay other Medicare cost-sharing and will pay the Part A premium for those without premium-free Part A. Through agreements they have with the federal government, states are absolved from paying any penalties for late enrollment, and so is the beneficiary. A subsequent Weekly Alert will discuss Medicare Savings Programs and the General Enrollment Period in greater detail.

**Plan to enroll early in 2007!** The general enrollment period for Medicare Parts A and B ends March 31 for 2007. Call 1-800-677-1116 to locate the State Health Insurance Counseling Program closest to you for assistance in enrolling in Medicare and possibly, in a Medicare Savings Program.

*For more information, contact attorney Patricia Nemore ([pnemore@medicareadvocacy.org](mailto:pnemore@medicareadvocacy.org)) in the Center for Medicare Advocacy's Washington, DC office at (202) 216-0028.*