

A Closer Look: Medicare General Enrollment Period (GEP) and the Significance for Your Low-Income Clients

About the General Enrollment Period

Every year the General Enrollment Period (GEP) for Medicare occurs between January 1 and March 31. This is the time—and usually the only time—during which your clients who are otherwise eligible for Medicare Parts A and/or B and failed to enroll when they were first eligible have another opportunity to join.

Background: When is the first opportunity to join Medicare Parts A and/or B?

Generally people are first eligible to enroll in Medicare during their Initial Enrollment Period, or IEP. This period starts either three months before they reach their 65th birthday *or* if they have received Social Security Disability Insurance (*not* Supplemental Security Income) for 24 months prior to age 65, in month 25 of their SSDI benefit period (and they should receive their “Welcome to Medicare” kit in months 21 or 22).

Usually everyone who is entitled to Medicare Part A takes it when they’re first eligible. After all, we pay for Part A through a payroll tax deduction while we’re working, and this is why most people pay no monthly premium for Part A. However, some people who are eligible for Medicare Part A *but* did not work long enough under our Social Security system may not be eligible for *premium-free* Medicare Part A. That said, they can still join Medicare but must pay a [“voluntary” Part A monthly premium](#).

During the IEP, the *only* people who can safely delay enrolling in Medicare Part B **and** avoid a Part B penalty (we’ll talk more about this penalty later on) are those who are still actively employed past their 65th birthday *and* get their health insurance through their employer that covers them as well as any Medicare-eligible spouses and dependent adult disabled children if applicable. These people may delay Part B enrollment until the worker retires.

Why delay? A few reasons...

- It’s usually in their best interest to delay until the worker retires, since the employment health insurance usually pays first before Medicare and under most circumstances leaves no role for Medicare Part B reimbursement.
- Also, the first 6 months when your clients have Part B is the easiest time to purchase *any* Medicare supplemental ([Medigap](#)) policy at the lowest possible price and without medical underwriting/any pre-existing condition limitations.

For these reasons, most people who are still working past age 65 and get employer health coverage wait until they are getting ready to retire before signing up for Medicare Part B, when they get a [Special Enrollment Period](#) to do so.

Everyone else should enroll promptly in Medicare Parts A and B when first eligible to do so. Yet, some people don't do this. Thus, the GEP gives them the opportunity to join Medicare.

How the General Enrollment Period Works

People may use the Medicare GEP to enroll at any time during January, February, or March. Regardless of when they enroll and which parts of Medicare they choose, **all coverage will start on July 1**. That's one of the many reasons why it's so important to sign up for Medicare when first entitled to do so.

And here is another reason—your clients who enroll in Medicare Part B more than a year after they were first eligible for Part B may pay a monthly [late enrollment penalty](#) premium amounting to 10% of the standard Part B premium for each full year they delayed. This is a lifetime penalty – meaning as long as they have Part B, they have to pay a penalty *unless* they are either 1) eligible for a [Medicare Savings Program](#) or 2) were eligible for Medicare due to disability and had to pay premium penalties and have since turned 65. In these latter instances, the Part B penalty is waived.

Note: Your clients who are eligible only for Part A with a premium should know that there is also a late enrollment penalty if they do not voluntarily enroll in Part A within 12 months of their Initial Enrollment Period (IEP). The penalty is calculated as 10% of the current Part A premium, and although the Part A is not a lifetime penalty like the Part B penalty, your clients would have to pay the Part A penalty for twice the number of years that they should have enrolled in Part A but didn't. Again, if they are under 65 and have penalties, the penalty will be waived when they turn 65. Or, if they are eligible for the Qualified Medicare Beneficiary Program, also known as QMB, (one of the Medicare Savings Programs that pays for the Part A premium), they will not have to pay this penalty.

Why the GEP is Important to Your Low-Income Clients

General Enrollment Period and Medicare Savings Programs

Some of your clients may have declined Medicare Part B during their IEP because the premium is [expensive](#). Likewise, some of your clients who do not qualify for premium-free Part A may have chosen not to enroll during their IEP because those premiums are even more expensive. That said, at least three of the Medicare Savings Programs cover the Part B premium and protect your clients from a Part B penalty. Also, your state can trigger the Medicare Part B enrollment process *at any time of year* in the course of processing their Medicare Savings Program applications.

Using QMB to Get Part A

Medicare Part A enrollment is a prerequisite for Medicare Savings Program eligibility. As we've already seen, most people get Part A when they are first entitled. For those who do *not* have it, the Qualified Medicare Beneficiary Program (QMB) covers the Part A premium. It's usually necessary to go to the Social Security Administration District Office to enroll in Part A. When your clients want to enroll in Part A but only if QMB will cover the premium cost, they can tell the Social Security claims representative they want "conditional enrollment." This means if they do not get QMB their Part A enrollment will not go through. Your clients should take the documentation they are given at the Social Security office to the Medicaid eligibility office and submit it along with their Medicare Savings Program application. This procedure can be challenging and there is a clear role for benefits counselors to assist in navigating through it.

General Enrollment Period, QMB, and Part A

In most states, your clients may use the Medicare Part A "conditional enrollment" procedure at any time of the year. There are, however, some states in which your clients are limited to using it only during the GEP. These 14 states include: Alabama, Arizona, California, Colorado, Illinois, Kansas, Kentucky, Missouri, Nebraska, New Jersey, New Mexico, South Carolina, Utah, and Virginia.¹

If you are located in one of these states, the GEP would be a good time to gear up an outreach campaign targeting those who are eligible for but not enrolled in Medicare, especially those who may qualify for the QMB program. Be prepared to assist those you reach through their Medicare and QMB application processes.

¹ Social Security Administration, Programs Operations Manual System, HI 00801.140: *State Buy-In and Group Payer Provisions for QMB* available, at <http://policy.ssa.gov/poms.nsf/lnx/0600801140>

Relation of Medicare General Enrollment Period to Medicare Part D

Your clients who enroll in either or both Medicare Parts A or B during the GEP *also* get a related [Part D Special Enrollment Period](#) (see page 2) to pick up drug coverage. They may enroll in a Medicare drug plan during the period from April through June and their Part D drug plan coverage starts on July 1, along with whichever Part (or Parts) of Medicare they joined during the Medicare General Enrollment Period.

References

See the Center for Medicare & Medicaid Services (CMS) Medicare General Information, Eligibility and Entitlement Manual, [Chapter 2](#) – *Hospital Insurance and Supplementary Medical Insurance*, Section 20.3.2, General Enrollment Period.

See the Center for Medicare & Medicaid Services (CMS) Medicare Prescription Drug Benefit Manual, [Chapter 3](#)– *Eligibility, Enrollment, and Disenrollment*, Section 30.3.8 – SEPs for Exceptional Conditions, #6 *SEP for Individuals Who Enroll in Part B during the Part B General Enrollment Period (GEP)* (page 32).

See Social Security Administration, Programs Operations Manual System, Section [HI 00801.140](#): *State Buy-In and Group Payer Provisions for QMB*.