

MEDICARE PART B LATE ENROLLMENT PENALTIES

What is a Part B Late Enrollment Penalty?



For each 12-month period you delay enrollment in Medicare Part B, you will owe a 10% Part B late enrollment penalty (LEP)*.

In most cases, a monthly penalty for Medicare must be paid as long as you are enrolled. However, if you enrolled due to disability and are paying penalties, they will stop once you turn 65.

How is the Part B premium penalty calculated?

FOR EXAMPLE: If you delay enrolling in Medicare Part B for seven years without employer insurance, your monthly premium will increase by 70% permanently. With a base premium of \$185 in 2025, your penalty-adjusted premium will be \$314.50 (\$185 x 1.7).



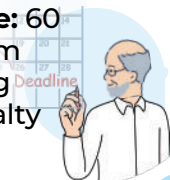
10% x Part B premium
x years without Part B

Who can appeal or eliminate the Part B LEP penalty?

Everyone has a right to appeal their LEP determination with the Social Security Administration. You can appeal to remove a penalty if you believe you were continuously covered by Part B or job-based insurance, or to reduce the penalty if you think it was calculated incorrectly.

To appeal, follow the directions in the penalty letter or use SSA's request for reconsideration form if you don't have it.

Deadline: 60 days from receiving the penalty notice.



If You Miss the Deadline: Submit a letter explaining your good cause (e.g., serious illness). Attach this letter to your appeal.

Payment During Review: Continue paying the LEP during the review process. Successful appeals will result in refunds for those payments.

1

You were actually enrolled in Medicare Part B during some or all of the period in question

If the penalty is being assessed in error because you were actually enrolled in Part B, you can include proof of that coverage including:

- Medicare Summary Notices (MSNs) showing payment for care
- Statements showing premiums paid or other records.



2

If you have job-based insurance through your or your spouse's current employment.

Reach out to your former employer for a letter that confirms you were enrolled in health coverage, and include that letter with your appeal form. You can also use other documents as evidence, such as:

- Health insurance cards with the start date
- Explanation of benefits
- Receipts from premium payments
- tax returns showing insurance premiums
- W-2s for pre-tax medical contributions
- Pay stubs showing insurance deductions

3

Are eligible for a Medicare Savings Program (MSP)

MSPs can help eliminate your Part B LEP. If you enroll in an MSP, any existing LEP will be removed, and you won't incur a penalty even if you later lose eligibility for the program. This provides a significant financial benefit for those with limited income and savings.



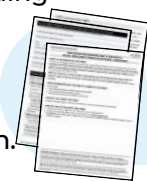
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Qualify for a Special Enrollment Period (SEP) due to exceptional circumstances

Exceptional circumstances that allow you to enroll late in Part B without incurring an LEP include situations such as:

- Released from incarceration.
- In an emergency or disaster.
- Medicaid coverage is ending.
- Receiving misleading information from your employer.
- Facing other unusual circumstances.

These SEPs are for those who missed initial enrollment after Jan 1, 2023. To use them, submit form CMS-10797 to the Social Security Administration.



SHIP

State Health Insurance Assistance Program

shiphelp.org | 877.839.2675

Contact your SHIP for assistance understanding and appealing your LEP or help applying for a Medicare Savings Program (MSP).