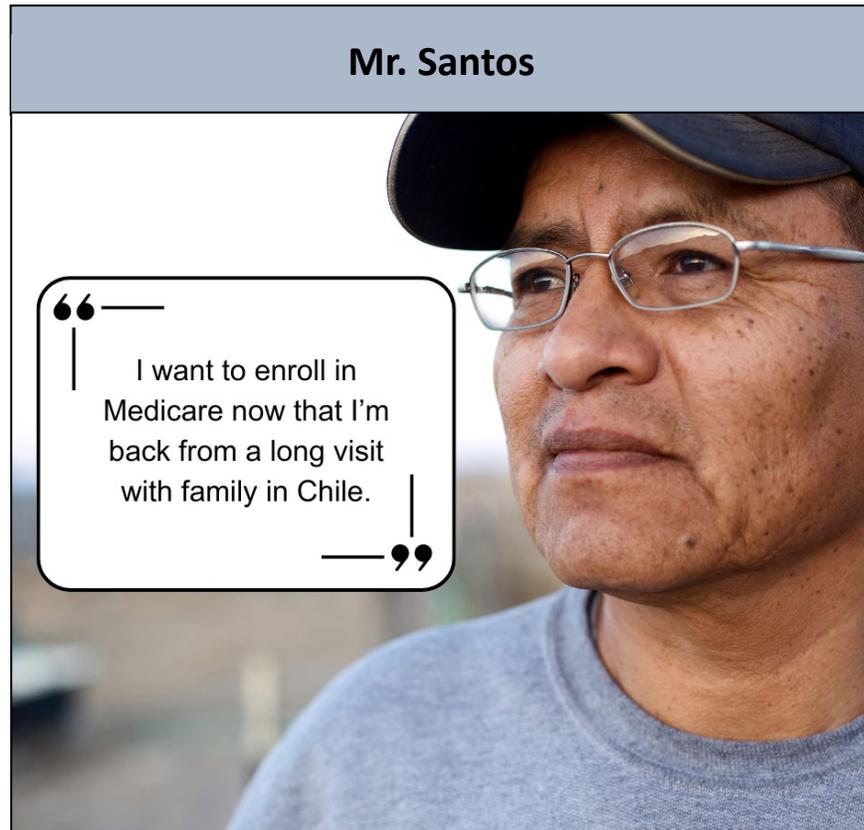


Scenario Worksheet

Medicare Enrollment (Part A, Part B, & Part D) & the Inflation Reduction Act (IRA)



Scenario

Mr. Santos turns 66 in November, is unmarried, and has diabetes. He legally immigrated to the U.S. from Chile 8 years ago and has since become a U.S. citizen. He’s been working since he moved to the U.S., but he doesn’t have enough Social Security credits to qualify for premium-free Medicare Part A (Hospital Insurance). He’s worked for a large employer and wasn’t required to enroll in Medicare at 65 because he had coverage under the employer’s group health plan (GHP).

He decided to retire at the end of March 2023 and won’t get any retiree health or drug benefits. His GHP coverage also ended at the end of March.

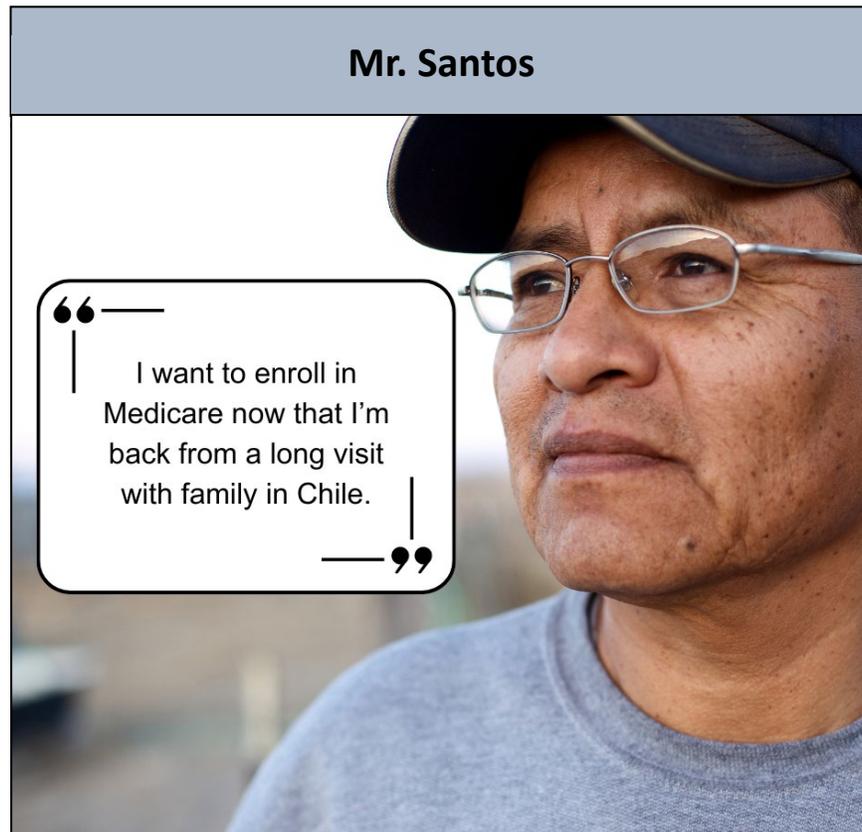
In April, he returned to Chile for the first time since he immigrated to the U.S., for an extended visit with family and friends.

Mr. Santos returned to the U.S. in December 2023. He wants to enroll in Medicare Part A, Part B (Medical Insurance), and Medicare drug coverage (Part D), and he asks you for assistance.

- 6. Mr. Santos plans to visit Chile again next summer. His doctor recommended some vaccinations and boosters. What will his costs be, and will Part D pay for these?**

Scenario Answer Key

Medicare Enrollment (Part A, Part B, & Part D) & the Inflation Reduction Act (IRA)



Scenario

Mr. Santos turns 66 in November, is unmarried, and has diabetes. He legally immigrated to the U.S. from Chile 8 years ago and has since become a U.S. citizen. He’s been working since he moved to the U.S., but he doesn’t have enough Social Security credits to qualify for premium-free Medicare Part A (Hospital Insurance). He’s worked for a large employer and wasn’t required to enroll in Medicare at 65 because he had coverage under the employer’s group health plan (GHP).

He decided to retire at the end of March 2023 and won’t get any retiree health or drug benefits. His GHP coverage also ended at the end of March.

In April, he returned to Chile for the first time since he immigrated to the U.S., for an extended visit with family and friends.

Mr. Santos returned to the U.S. in December 2023. He wants to enroll in Medicare Part A, Part B (Medical Insurance), and Medicare drug coverage (Part D), and he asks you for assistance.

Q&A

1. Can Mr. Santos sign up for Medicare? If so, when?

Yes, Mr. Santos can sign up for Medicare because he's a U.S. citizen and meets all the eligibility requirements as someone who immigrated to the U.S.

If you immigrated to the U.S. and want to enroll in Medicare, you must:

- Have legal status in this country. This means you're a U.S. citizen, or you're a lawful immigrant who resides permanently in the U.S. with the authorization of the U.S. Citizenship & Immigration Services.
- Live in the U.S. for at least 5 years continuously.
- Be 65 or older, unless you're under 65 and qualify for Medicare due to a disability, and get Social Security or Railroad Retirement Board disability benefits for 24 months.

Since he missed his Initial Enrollment Period (IEP)—the 7-month period that began 3 months before the month he turned 65, included the month he turned 65, and ended 3 months after the month he turned 65—and his 8-month Special Enrollment Period (SEP) after losing his GHP coverage, Mr. Santos can sign up for Part A and Part B during the next General Enrollment Period (GEP), which is from January 1–March 31 each year. If he enrolls during the next GEP, his Medicare coverage will start the first day of the following month after he signs up. For example, if he signs up for Part A and Part B in January, his coverage will start on February 1.

2. Mr. Santos' modified adjusted gross income is \$60,000 per year. It's been about the same for the past 2 years. What will Mr. Santos pay monthly in 2024 for his Part A and Part B premiums?

Mr. Santos will pay \$278 each month for his Part A premium because he paid Medicare taxes for at least 30 work quarters.

NOTE: If Mr. Santos decided to work for another 2 years before retiring, he may have qualified for premium-free Part A. You can qualify for premium-free Part A when you or a spouse paid Medicare taxes long enough while working, which is generally at least 10 years.

The standard Part B monthly premium is \$174.70 in 2024. If your modified adjusted gross income as reported on your Internal Revenue Service (IRS) tax return from 2 years ago is above a certain amount, you may pay an Income-Related Monthly Adjustment Amount (IRMAA). In 2024, since Mr. Santos made less than \$103,000 and filed individually in 2022, he won't have an IRMAA amount added to his Part B premium. He'll just have to pay the standard Part B premium, \$174.70, per month.

NOTE: If he decides to travel out of the country in the future, Mr. Santos can't use Medicare outside the U.S. and must continue paying premiums for Part A and Part B.

3. Will Mr. Santos have a Part A or Part B late enrollment penalty if he signs up during the General Enrollment Period (GEP) (January 1–March 31 each year) in 2024?

No, Mr. Santos won't have a late enrollment penalty for Part A or Part B. The late enrollment penalty calculations for Part A and Part B don't include the months he was working and had GHP coverage.

Mr. Santos went without Part A for 9 months, from April through December. When he signs up for Part A in January during the GEP, he still won't have a full year without Part A, which means he won't have a late enrollment penalty.

4. If Mr. Santos wants Medicare drug coverage (Part D), can he get it? If so, when can he join a Part D plan?

Because Mr. Santos didn't qualify for premium-free Part A, he qualifies for an SEP for Part D if he signs up for Part B during the GEP (which is from January 1–March 31 each year). As of January 1, 2024, if you can't get premium-free Part A and sign up for Part B during the GEP, you can join a Medicare drug plan. Likewise, if you choose to sign up for Part A and Part B, you can also choose to join a Medicare Advantage Plan with drug coverage. The SEP for Part D starts when you sign up for Part B.

If Mr. Santos signs up for Part B in January, his Part B coverage will start the first day of the month after he signs up, which is February 1. His SEP for drug coverage starts when he signs up for Part B in January and lasts through the first 2 months he has Part B (through the end of March).

His drug coverage will become effective the first day of the month after the month the Part D plan gets the enrollment request.

5. Will he have any Part D late enrollment penalties or other costs added to his monthly Part D premium?

No. Since Mr. Santos wasn't eligible for Part D prior to enrolling in premium Part A and Part B, and if he gets drug coverage during his SEP, he won't have a Part D late enrollment penalty. He would've had a Part D late enrollment penalty because he went 63 days or more without creditable drug coverage.

He also won't have to pay a Part D IRMAA amount because his modified adjusted gross income from 2 years prior (\$60,000) is less than the limit of \$103,000 if he's filing individually.

6. Mr. Santos plans to visit Chile again next summer. His doctor recommended some vaccinations and boosters. What will his costs be, and will Part D pay for these?

Mr. Santos' costs will depend on the vaccines and boosters his doctor recommended and guidelines from the Centers for Disease Control and Prevention's (CDC's) Advisory Committee on Immunization Practices (ACIP). If the vaccines and boosters are [ACIP recommended](#), Mr. Santos will have no out-of-pocket cost sharing. As of January 1, 2023, the IRA eliminated cost sharing for ACIP-recommended adult vaccines covered under Part D. He won't have to pay toward his plan's deductible to get the ACIP-recommended adult vaccines.

You can also get other vaccines free with Medicare Part B and Medicare Advantage Plans, like seasonal flu and COVID-19 vaccines. Part B and Medicare Advantage Plan deductibles don't apply for these vaccines.

Medicare Enrollment (Part A, Part B, & Part D) & the Inflation Reduction Act (IRA)

If certain vaccines aren't directly recommended by ACIP, Mr. Santos may need to pay an out-of-pocket cost.

Resources

"ACIP Recommendations" (Web page)

[CDC.gov/vaccines/acip/recommendations.html](https://www.cdc.gov/vaccines/acip/recommendations.html)

"Avoid Late Enrollment Penalties" (Web page)

[Medicare.gov/basics/costs/medicare-costs/avoid-penalties](https://www.medicare.gov/basics/costs/medicare-costs/avoid-penalties)

"Costs" (Web page)

[Medicare.gov/basics/costs/medicare-costs](https://www.medicare.gov/basics/costs/medicare-costs)

"Costs for Medicare Drug Coverage" (Web page)

[Medicare.gov/drug-coverage-part-d/costs-for-medicare-drug-coverage](https://www.medicare.gov/drug-coverage-part-d/costs-for-medicare-drug-coverage)

"Estimate My Medicare Eligibility & Premium" (Web tool)

[Medicare.gov/eligibilitypremiumcalc](https://www.medicare.gov/eligibilitypremiumcalc)

"Inflation Reduction Act Research Series: Medicare Part D Enrollee Vaccine Use After Elimination of Cost Sharing for Recommended Vaccines in 2023" (PDF)

[aspe.HHS.gov/sites/default/files/documents/3854c8f172045f5e5a4e000d1928124d/part-d-covered-vaccines-no-cost-sharing.pdf](https://aspe.hhs.gov/sites/default/files/documents/3854c8f172045f5e5a4e000d1928124d/part-d-covered-vaccines-no-cost-sharing.pdf)

"Insulin" (Web page)

[Medicare.gov/coverage/insulin](https://www.medicare.gov/coverage/insulin)

"Original Medicare (Part A and B) Eligibility and Enrollment" (Web page)

[CMS.gov/medicare/enrollment-renewal/health-plans/original-part-a-b](https://www.cms.gov/medicare/enrollment-renewal/health-plans/original-part-a-b)

"Part D Late Enrollment Penalty" (Web page)

[Medicare.gov/drug-coverage-part-d/costs-for-medicare-drug-coverage/part-d-late-enrollment-penalty](https://www.medicare.gov/drug-coverage-part-d/costs-for-medicare-drug-coverage/part-d-late-enrollment-penalty)

"Premium Increase for Late Enrollment," HI 01001.010 in the Social Security Program Operations Manual System (Web page)

secure.SSA.gov/poms.nsf/lrx/0601001010