



## Centers for Medicare & Medicaid Services National Training Program

### Course Transcript: Medicare Enrollment: U.S. Citizens Living Abroad

#### Disclaimer

The scenarios in this course show just a few of many possible situations. They'll help you understand key points, but they aren't meant to be comprehensive.

Select the **RESOURCES** tab for additional information and job aids.

#### Animation Transcript: Medicare Enrollment: U.S. Citizens Living Abroad

Over 600,000 Americans eligible for Medicare are living abroad. Through international direct deposit agreements, the U.S. is able to send Social Security payments electronically to U.S. citizens and U.S. residents living in more than 90 countries.

Generally, Medicare doesn't cover services received outside the U.S. The term "outside the U.S." means anywhere other than the 50 states of the United States, the District of Columbia, Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, and the Northern Mariana Islands.

You may have to help U.S. citizens who live abroad, or plan to live abroad, as they make coverage decisions. They need to decide whether to enroll in Medicare and pay premiums now for coverage they can't use outside the U.S.—or wait until they return to live in the U.S. and possibly have to pay late enrollment penalties in addition to their monthly premiums.

There are also situations where they must have Part B (Medical Insurance) even if they're living abroad, such as someone with TRICARE.

You can help U.S. citizens consider their enrollment options by explaining the importance of timing their enrollment.

They also need to know how their decisions now might affect them later if they visit or return to the U.S.

#### Course Objectives:

I'm Mari. In my job, I counsel people on their Medicare enrollment options. In this course, you'll:

- Learn about enrollment considerations for U.S. citizens who are living abroad or planning to live abroad.
- Practice helping U.S. citizens living abroad understand if and when they can enroll in Medicare and how it may affect what they pay.
- Practice helping U.S. citizens who plan to live abroad understand how their enrollment decisions can affect coverage and costs if they later decide to return to the U.S.

Select **NEXT**.

#### Profiles: Meet Bianca, Kumar, & Lois

Bianca, Kumar, and Lois are U.S. citizens who are living abroad or planning to live abroad. In the scenarios that follow, you'll help them understand the rules that impact their ability to enroll in and use Medicare coverage.

Select the **Information** button for each person to preview their profiles.

Select Bianca, Kumar, or Lois when you're ready to start a scenario.

## Scenario: Bianca's Profile

### Meet Bianca

Here's Bianca. She's 70 and a widow. She's a U.S. citizen who moved to Portugal after she retired. Bianca receives health coverage through Portugal's National Health Service. She doesn't have to pay for Medicare Part A (Hospital Insurance) and started getting Social Security retirement benefits when she was 63, just before she left the U.S. She doesn't qualify for a Medicare Savings Program or Extra Help. She's thinking about moving back to the U.S.

Select NEXT for key messages to keep in mind when counseling Bianca.

### Key Messages for Bianca

Here are some key messages you'll learn about in Bianca's scenario. Select the Help button to see more details, or select RESOURCES to print or download key messages for all the scenarios in this course.

Key messages for Bianca:

- **Medicare Part A automatic enrollment**—If you live outside the U.S. and you're getting Social Security benefits for at least 4 months before you turn 65, you'll be automatically enrolled in Part A (Hospital Insurance) but not Part B (Medical Insurance).
- **Medicare enrollment periods**—If you miss the 7-month Medicare Initial Enrollment Period (IEP) associated with your 65<sup>th</sup> birthday, and you don't qualify for a Special Enrollment Period (SEP), you may only apply for Part B during the General Enrollment Period (GEP). You might have coverage gaps and late enrollment penalties.
- **Part B late enrollment penalty**—The Part B late enrollment penalty is a lifetime penalty of 10% for each full 12-month period you could've been enrolled, but weren't. The penalty amount can change each year, depending on your income from 2 years ago and the standard Part B premium, which can change each year.
- **Medicare prescription drug coverage (Part D) Initial Enrollment Period (IEP)**—If you're a U.S. citizen moving back to the U.S., the Medicare prescription drug coverage (Part D) IEP is the 7-month period that starts 3 months before (and ends 3 months after) the month you return to live in the U.S. If you miss your IEP and don't qualify for an SEP, you'll have to wait until the next Medicare Open Enrollment Period (OEP), and you'll have a lifetime late enrollment penalty.
- **Part D late enrollment penalty**—To calculate the Part D late enrollment penalty, multiply 1% of the national base beneficiary premium for the current year by the number of full, uncovered months you didn't have Part D or creditable prescription drug coverage. Round that amount to the nearest 10 cents to get the penalty amount to be added to your monthly Part D plan premium.
- **Help for people with limited income and resources**—If you have limited income and resources, you may get help from your state to pay your Medicare premiums, deductibles, and copayments when you return to the U.S. The amount of help can vary from state to state based on income and resources, and the state's rules.

Now that you have some of the key messages, let's apply them to Bianca's scenario. Select NEXT.

### Let's Help Bianca

Let's help Bianca understand the Medicare enrollment periods and penalties so she can make an informed decision.

Use the Profile and Help buttons anytime to review Bianca's profile and key messages.

Select NEXT to begin.

## Part B: Bianca's Question 1

### Bianca's Question

I'm looking for information about Medicare. I have premium-free Part A now, but I also want Part B and Part D benefits when I move back to the U.S. to live permanently. I'm not sure how or when to apply. First I'd like to learn about Part B (Medical Insurance). Can I sign up anytime?

### Counselor Options

Let's help answer Bianca's question. Select the best response.

- A. **Yes.** You can enroll anytime.
- B. **No.** You can only enroll in Medicare during certain enrollment periods.
- C. **You should've been enrolled automatically.**

### Feedback

*If A is selected:*

**Try again.** Use the Help button to review key messages about this issue.

*If B is selected:*

**That's right.** Bianca can only enroll in Medicare during certain enrollment periods. Since she missed her Medicare IEP (the 7-month period that began 3 months before the month she turned 65, included the month she turned 65, and ended 3 months after the month she turned 65), she'll have to wait until the Medicare GEP, January 1–March 31, to enroll in Part B and Medicare drug coverage. Late enrollment penalties will apply. Her coverage will start the first day of the month after she signs up.

*If C is selected:*

**Try again.** Since Bianca was living abroad and getting Social Security benefits for at least 4 months before she turned 65, she was automatically enrolled in Part A—but not Part B.

## Part B: Bianca's Question 2

### Bianca's Question

What's the late enrollment penalty for Part B?

### Counselor Options

Let's help answer Bianca's question. Select the best response.

- A. **You'll pay a one-time penalty of 10% of the standard Part B premium.**
- B. **You'll pay a one-time penalty of 20% of the standard Part B premium.**
- C. **You'll pay a lifetime penalty of 10% of the standard Part B premium for each full 12-month period you could've been enrolled.**

### Feedback

*If A is selected:*

**Try again.** Hint: The Part B late enrollment penalty isn't a one-time penalty.

*If B is selected:*

**Try again.** Hint: The Part B late enrollment penalty isn't a one-time penalty, and it's not 20%.

*If C is selected:*

**That's right.** Bianca's penalty is 10% for each full 12-month period that she could've been enrolled. The amount Bianca will have to pay for Part B can change each year because her premium is based on her income from 2 years prior, and the penalty amount is based on the current year's standard premium.

## Part B: Bianca's Question 3

### Bianca's Question

Since I had coverage through Portugal's National Health Service, will I still have to pay a Part B late enrollment penalty?

### Counselor Options

Let's help answer Bianca's question. Select the best response.

- A. Yes.** You'll have a Part B late enrollment penalty.
- B. No.** You won't have a Part B late enrollment penalty.
- C. It depends.** You won't pay a Part B late enrollment penalty if you're still living abroad when you enroll.

### Feedback

*If A is selected:*

**That's right.** Since Bianca's prior coverage wasn't from current, active employment, she won't qualify for an SEP and will have a Part B late enrollment penalty. That's because she went for more than 12 months without Part B when she could've had it.

*If B is selected:*

**Try again.** Use the Help button to review key messages about this issue.

*If C is selected:*

**Try again.** Where Bianca is living at the time of enrollment doesn't determine whether she'll pay a late enrollment penalty.

## Part B: Bianca's Question 4

Bianca wants to know how to calculate her Part B late enrollment penalty. She thinks she'll return to the U.S. in August, the month she'll turn 71. Let's review Bianca's scenario. Select NEXT.

### Calculating What Bianca Will Pay Monthly for Part B

Bianca didn't sign up for Part B when she turned 65 during her IEP, which was the 7-month period that began 3 months before the month she turned 65, included the month she turned 65, and ended 3 months after the month she turned 65.

Bianca will return to the U.S. the month she turns 71, which is August. Her coverage in Portugal isn't from current active employment, so she won't qualify for an SEP. She can enroll in Part B the following year during the GEP, which occurs January 1 to March 31, and her coverage will start the first day of the month after she signs up.

The first month that counts toward Bianca's penalty is the December after she turned 65, and the last month that counts toward her penalty is the month she signs up, the March after she returns to the U.S. This means Bianca will go 6 years and 4 months not enrolled in Part B, for a total of 6 full 12-month periods. The 4 months won't count because it's not a full 12 months.

Bianca will have a Part B late enrollment penalty of 60%, which is 10% for each full 12-month period that she could've been enrolled.

### Calculating How Much Bianca Will Pay Monthly for Part B

Let's do the math. Remember, Bianca's penalty for delaying 6 years and 4 months is 60%, or 10% for each full 12-month period she could've had Part B but didn't.

To figure out her penalty, multiply the current standard Part B premium by 60%, or .60, to get Bianca's late enrollment penalty.

Then, add the penalty amount to Bianca's Part B premium to get the total she'll pay each month for Part B. However, each year, her penalty amount can change since it's based on the current year's standard Part B premium. And, her premium amount may change because it's based on her annual income from 2 years ago. People with higher incomes may pay a higher amount, called the Income Related Monthly Adjustment Amount

(IRMAA). Select NEXT.

### Calculating the Part B Late Enrollment Penalty

Nice work helping Bianca! Watch this short video for a review of how to calculate the Part B late enrollment penalty. When you're done, select NEXT to answer some follow-up questions from Bianca.

#### Animation Transcript: Medicare Part B Late Enrollment Penalty Calculations

The late enrollment penalty for Medicare Part B (or Medical Insurance) is 10% of the standard premium for each full 12-month period that you could've been enrolled, but weren't.

Here's an example. Let's say you don't sign up for Part B when you turn 65 during your Medicare Initial Enrollment Period (or IEP), which is the 7-month period that begins 3 months before the month you turn 65, includes the month you turn 65, and ends 3 months after the month you turn 65.

You're living abroad, and you plan to return to the U.S. in August, which is the month you'll turn 69. You want to enroll in Part B, but you don't qualify for a Special Enrollment Period because your coverage while living abroad isn't from current active employment.

Your next opportunity to enroll in Part B is the next General Enrollment Period, or GEP, which is January 1 through March 31 of the following year. Your coverage will start the first day of the month after you sign up, but you'll have a late enrollment penalty.

Your penalty will be calculated starting the month after your IEP ends. In this case, it will be December, since your birthday was in August. The final month that counts toward your penalty will be the month you enroll in Part B during the GEP. If you enroll in March, that's 4 years and 4 months without Part B.

You'll have to pay a 40% late enrollment penalty, which is 10% for each full 12-month period that you could've had Part B but didn't. The 4 additional months won't count.

To figure out your penalty amount, multiply the current standard Part B premium by 40%, or .40. Then, add the penalty amount to your Part B premium.

### Part B Late Enrollment Penalty: Bianca's Follow-up Question 1

#### Bianca's Question

My Part B late enrollment penalty is 60%. If I wait to come back to the U.S. a year later, what will my Part B late enrollment penalty be?

#### Counselor Options

Let's help answer Bianca's question. Select the correct response. Then select Submit.

- A. 10 %
- B. 50%
- C. 60%
- D. 70%

## Feedback

*If A–C is selected on first and second attempts:*

**Try again.** Remember, generally the Part B late enrollment penalty is a lifetime penalty of 10% for each full 12-month period Bianca could've been enrolled, but wasn't.

*If A–C is selected on third attempt:*

**Incorrect.** The correct answer is 70%. The first opportunity for Bianca to enroll in Part B will be during the GEP (January 1–March 31) after she turns 72. That means she'll go 7 years and 4 months without Part B. That's 7 full 12-month periods (the 4 months wouldn't count). The penalty is 10% for each full 12-month period.  $7 \times 10\% = 70\%$ .

*If D is selected:*

**That's right.** The first opportunity for Bianca to enroll in Part B will be during the GEP (January 1–March 31) after she turns 72. That means she'll go 7 years and 4 months without Part B. That's 7 full 12-month periods (the 4 months wouldn't count). The penalty is 10% for each full 12-month period.  $7 \times 10\% = 70\%$ .

## Part B Late Enrollment Penalty: Bianca's Follow-up Question 2

### Bianca's Question

If I return to the U.S. later this year and enroll in Part B in January of the following year, during the GEP, when will my coverage begin?

### Counselor Options

Let's help answer Bianca's question. Select the correct response. Then select Submit.

- A. February 1
- B. March 31
- C. April 1
- D. July 1

## Feedback

*If A is selected:*

**That's right.** If Bianca enrolls in Part B during the GEP (January 1–March 31 each year), her coverage begins February 1. This means she'll have a gap in coverage and a late enrollment penalty.

*If B–D is selected on first and second attempts:*

**Try again.** Use the Help button to review key messages about this issue.

*If B–D is selected on third attempt:*

**Incorrect.** The correct answer is February 1. If Bianca enrolls in Part B during the GEP (January 1–March 31 each year), her coverage will start the first day of the month after she signs up, which is February 1. This means she'll have a gap in coverage and a late enrollment penalty.

## Part D Late Enrollment Penalty: Let's Help Bianca

Now that you've answered Bianca's questions about Part B, she has some questions about Medicare prescription drug coverage, also called Part D.

Select NEXT to begin.

## Part D: Bianca's Question 1

### Bianca's Question

Will I have to pay a late enrollment penalty for Medicare prescription drug coverage (Part D)?

### Counselor Options

Let's help answer Bianca's question. Select the best response.

- A. **Yes.** You'll have to pay a late enrollment penalty for Medicare drug coverage.
- B. **Only for the first year of Medicare drug coverage.**
- C. **It depends.** If you enroll during your Part D IEP, you won't have a late enrollment penalty.

#### Feedback

*If A is selected:*

**Try again.** Use the Help button to review key messages about this issue.

*If B is selected:*

**Try again.** Generally, the late enrollment penalty for Medicare drug coverage (Part D) is a lifetime penalty. Bianca will have a lifetime penalty if she doesn't enroll during her Part D IEP.

*If C is selected:*

**That's right.** In general, Bianca will be eligible to enroll in a Medicare drug plan when she enrolls in Medicare Part A, or Part B, or both, AND lives in the service area of a drug plan. Since Bianca was out of the country when she was first eligible to enroll in Medicare drug coverage, her Part D IEP includes the 3 months before she became eligible for drug coverage (when she lived abroad), the month of eligibility (when she returns to the U.S.), and the 3 months following (after she returns to the U.S.). For example, if she returns to reside in the U.S. in June, her IEP for drug coverage will last from March–September, but she can't enroll in drug coverage until June, when she returns to the U.S. and establishes residency in the coverage area.

#### Part D: Bianca's Question 2

##### Bianca's Question

If I don't sign up during my Part D IEP, will I have another chance to enroll?

##### Counselor Options

Let's help answer Bianca's question. Select the best response. Then select Submit.

- A. **Yes.** You'd have another chance to enroll in Medicare drug coverage.
- B. **No.** If you miss your Part D IEP, you'll never be able to get Medicare drug coverage.
- C. **There's no IEP for Medicare drug coverage.**

#### Feedback

*If A is selected:*

**That's right.** If Bianca misses her Part D IEP, she'll have to wait until the next Medicare OEP, which is October 15–December 7 each year. Bianca's drug coverage will begin January 1, and she'll have a lifetime Part D late enrollment penalty based on the number of months between the end of her Part D IEP (3 months after the month she returns to the U.S.) and when she starts getting Medicare drug coverage.

*If B is selected:*

**Try again.** Use the Help button to review key messages about this issue.

*If C is selected:*

**Try again.** Generally, the IEP for Medicare drug coverage begins 3 months before the month you turn 65, includes the month you turn 65, and ends 3 months after the month you turn 65. In Bianca's case, it's tied to returning to the U.S. (living in a Part D service area). If Bianca misses her Part D IEP when she returns to the U.S., she'll have another opportunity to enroll in drug coverage, but she'll have to wait until an appropriate enrollment period.

#### Part D Late Enrollment Calculations

Bianca wants to know how to calculate her Medicare prescription drug coverage (Part D) late enrollment penalty. Let's review some information and look at an example. Select NEXT.

#### How the Part D Late Enrollment Penalty is Calculated



To calculate the Part D late enrollment penalty, determine how many months you went without creditable prescription drug coverage. The penalty is 1% for each full uncovered month, so if you went without creditable coverage for 12 full months, the penalty would be 12% of the national base beneficiary premium, rounded to the nearest 10 cents. That amount would be added to your plan's monthly premium.

### Calculating How Much Bianca Will Pay Monthly for Part D

Bianca went without other creditable prescription drug coverage for 20 months and 10 days before she joined a Medicare Part D plan. That's 20 full months. Her current plan's monthly premium is \$32. Watch this video to see how to calculate her penalty. When you're done, select NEXT.

### Animation Transcript: Medicare Part D Late Enrollment Penalty Calculations

If you have to pay a late enrollment penalty for Medicare prescription drug coverage (or Part D), the penalty will be added to your monthly premium. To calculate the penalty, multiply 1% of the national base beneficiary premium for the current year by the number of full, uncovered months you didn't have Medicare Part D or creditable prescription drug coverage—for example, coverage from an employer or union that's expected to pay, on average, at least as much as Medicare's standard prescription drug coverage. Round that amount to the nearest 10 cents to get the penalty amount to be added to your monthly Part D premium.

Here's an example. Let's say you go without creditable drug coverage for 20 months before you join a Medicare Part D plan. You'll pay a late enrollment penalty that's 20% of the current national base beneficiary premium. To calculate the penalty, multiply 20%, or .20, by the national base beneficiary premium. Round your answer to the nearest 10 cents to get your late enrollment penalty. Add the penalty to your plan's monthly premium to get the total you'll pay each month for Part D.

The national base beneficiary premium may change each year, so your penalty amount may also change each year. In most cases, you'll pay the Part D late enrollment penalty for as long as you have Medicare Part D coverage.

### Great Work

Great work. You've helped Bianca understand Medicare enrollment periods and penalties as she considers moving back to the U.S. Select NEXT.

### Scenario: Kumar's Profile

#### Meet Kumar

Here's Kumar. He's 68 and a U.S. citizen. He moved to Canada when he was 23 and married a Canadian citizen. He's now retired and gets health coverage through Canada's public health care system. He only worked in the U.S. for 2 full years, so he doesn't qualify for Social Security retirement benefits. His wife isn't a U.S. citizen and never worked in the U.S. He plans to return to the U.S. soon to live permanently, so he needs to understand if and when he can get Medicare coverage.

### Key Messages for Kumar

Here are some key messages you'll learn about in Kumar's scenario. Select the Help button to see more details, or select RESOURCES to print or download key messages for all the scenarios in this course.

- **You can't use Medicare outside the U.S.**—If you have Medicare when you move abroad, you might choose to keep it and pay your premiums so you won't have late enrollment penalties if you return to the U.S. to live.
- **Eligibility for Medicare enrollment for U.S. citizens living abroad**—As long as you live outside of the U.S. and don't qualify for Social Security benefits, you can't enroll in Medicare.



- **Medicare enrollment periods**—You can only enroll in Medicare during certain enrollment periods. Your Medicare Initial Enrollment Period (IEP) occurs when you meet the eligibility requirements (for people 65 and over living abroad, it starts the month you return to the U.S. and ends 3 months after).
- **Enrollment for people turning 65 who live abroad**—If you're living abroad and want to enroll in Medicare during the IEP associated with your 65<sup>th</sup> birthday, you should contact either the American Embassy or the Consulate in the country in which you're residing.
- **Most people get premium-free Part A**—You won't pay a monthly premium for Medicare Part A coverage if you or your spouse paid Medicare taxes for a certain amount of time while working. This is sometimes called "premium-free Part A." Most people get premium-free Part A.
- **Some people have to pay for Part A**—If you or your spouse don't qualify for Social Security benefits, you generally have to pay a monthly Part A premium. If you must pay for Part A, you'll pay the full amount if you or your spouse paid Medicare taxes for less than 30 quarters. If you or your spouse paid Medicare taxes for 30–39 quarters, you'll pay a reduced amount. The amount may change each year.
- **Part A late enrollment penalty**—If you must pay for Part A, and miss your IEP, you'll have to pay a late enrollment penalty. If you have a penalty, what you pay monthly for Part A may go up 10%. You'll have to pay the penalty for twice the number of years (or full 12-month periods) you could've had Part A, but didn't sign up. The total (including the penalty) is based on the Part A premium, which can change each year.
- **Opportunities to buy a Medigap policy or enroll in a Medicare Prescription Drug Plan or Medicare Advantage Plan**—When you enroll in Medicare during your IEP, you also have the opportunity to buy a Medicare Supplement Insurance (Medigap) policy, enroll in a Medicare Prescription Drug Plan (Part D), or enroll in a Medicare Advantage Plan, provided you live in the plan's service area (U.S. or territories). You must have Medicare Part A and Part B to enroll in a Medicare Advantage Plan or to buy a Medigap policy.
- **Opportunity to enroll through a Health Insurance Marketplace**—If you're not eligible for premium-free Part A, you may be able to enroll in coverage through a Health Insurance Marketplace® instead of Medicare. You may get premium tax credits or cost sharing reductions to help pay your Marketplace plan premium and other costs, depending on your income and household size.
- **Help for people with limited income and resources**—If you have limited income and resources, you may get help from your state to pay your Medicare premiums, deductibles, and copayments when you return to the U.S. The amount of help can vary from state to state based on income and resources, and the state's rules.

Select NEXT.

### Let's Help Kumar

Let's help Kumar understand his coverage options so he can make a decision.

Use the Profile and Help buttons anytime to review Kumar's profile and key messages.

Select NEXT to begin.

### Enrolling While Living Abroad: Kumar's Question 1

#### Kumar's Question

Could you help me determine whether I can enroll in Medicare, and if so, when?

#### Counselor Options

Let's help answer Kumar's question. Select the best response.

- A. Since you're a U.S. citizen, you can enroll in Medicare.
- B. Since you don't qualify for Social Security benefits, you can't ever get Medicare.
- C. Since you lived outside the U.S. when you retired, you can't get Medicare.

#### Feedback

*If A is selected:*

**That's right.** Although Kumar doesn't qualify for premium-free Part A, he can enroll, but Medicare has certain enrollment periods. The first opportunity for Kumar to enroll is during his IEP. Since he's a U.S. citizen not eligible for premium-free Part A who was living abroad and didn't enroll during his IEP associated with turning 65, his IEP is based on the month he establishes residence in the U.S. This is considered the 4th month of his IEP, and ends 3 months after that month.

If Kumar misses his IEP, he could enroll during the GEP, January 1–March 31 every year. If he doesn't enroll in Medicare during his IEP, and doesn't qualify for an SEP, he may have to pay late enrollment penalties.

If Kumar had worked in the U.S. long enough to qualify for Social Security benefits, and wanted to enroll in Part A during his IEP tied to his 65<sup>th</sup> birthday, but was living abroad, he would need to contact the American Embassy or the Consulate in the country in which he was residing.

*If B is selected:*

**Try again.** Kumar will be able to get Medicare once he qualifies for an enrollment period.

*If C is selected:*

**Try again.** Retiring abroad won't disqualify Kumar from getting Medicare.

#### Premiums for Part A & Part B: Kumar's Question 2

##### Kumar's Question

Do I have to pay premiums for Medicare Part A and Part B?

#### Counselor Options

Let's help answer Kumar's question. Select the best response. Then select Submit.

- A. Only for Part B.
- B. Only for Part A.
- C. You'll pay premiums for both Part A and Part B.

#### Feedback

*If A is selected:*

**Try Again.** Remember, Kumar only worked in the U.S. for 2 years, which wasn't long enough to earn 40 quarters of paying Medicare taxes, so he'll have to pay a monthly premium for Medicare Part A. Also, his wife didn't work in the U.S., only in Canada.

*If B is selected:*

**Try Again.** In general, everyone pays the Medicare Part B premium.

*If C is selected:*

**That's right.** Since Kumar didn't work in the U.S. long enough to earn 40 quarters of paying Medicare taxes, he'll have to pay a monthly premium for Medicare Part A. In general, everyone pays the Medicare Part B premium. If Kumar doesn't enroll in Medicare during his IEP (the 4-month period that includes the month he returns to live in the U.S., and ends 3 months after the month he returns), he'll have to pay a late enrollment penalty for Medicare Part A and Part B. If he misses his IEP, he'll have to wait until the next Medicare GEP, January 1–March 31 each year. Coverage will start the first day of the month after he signs up. If his wife had paid Medicare taxes for enough quarters, he could've qualified under her record. However, she never worked in the U.S.

## Late Enrollment Penalties for Part A & Part B: Kumar's Question 3

### Kumar's Question

If I have late enrollment penalties, how long would I have to pay them?

### Counselor Options

Let's help answer Kumar's question. Select the best response. Then select Submit.

- A. The Part A and Part B late enrollment penalties are both temporary.**
- B. The Part A late enrollment penalty is temporary, but the Part B late enrollment penalty is usually a lifetime penalty.**
- C. The Part A late enrollment penalty is a lifetime penalty, but the Part B late enrollment penalty is usually temporary.**

### Feedback

*If A is selected:*

**Try Again.** The Part B late enrollment penalty is usually a lifetime penalty.

*If B is selected:*

**That's right.** If Kumar didn't enroll during his IEP, he may have to pay a lifetime late enrollment penalty for Part B. He'll also have to pay a Part A late enrollment penalty of 10% for twice the number of years he could've had Part A, but didn't sign up.

*If C is selected:*

**Try again.** The Part B late enrollment penalty is usually a lifetime penalty.

## The Part A Late Enrollment Penalty: Let's help Kumar

Kumar wants to know how to calculate his Part A late enrollment penalty.

Watch this video to see how the Part A late enrollment penalty is calculated. Then select NEXT to help Kumar calculate his penalty.

### Animation Transcript: Medicare Part A Late Enrollment Penalty Calculations

You usually don't pay a monthly premium for Medicare Part A, (Hospital Insurance) coverage, if you or your spouse paid enough Medicare taxes for a certain amount of time while working. This is sometimes called premium-free Part A.

Most people get premium-free Part A.

You can get premium-free Part A at 65 if:

- You already get retirement benefits from Social Security or the Railroad Retirement Board.
- You're eligible to get Social Security or Railroad Retirement benefits, but haven't filed for them yet.[or]
- You or your spouse had Medicare-covered government employment.

If you're under 65, you can get premium-free Part A if:

- You've had Social Security or Railroad Retirement Board disability benefits for 24 months.[or]
- You have End-Stage Renal Disease (ESRD) and meet certain requirements.

If you or your spouse paid Medicare taxes for less than 40 quarters, you can choose to buy Part A, but you'll have to pay a premium. If you paid Medicare taxes for 30 to 39 quarters, you'll pay a reduced premium each month. If you paid Medicare taxes for less than 30 quarters, you'll pay the full premium each month. The premium amounts can change each year.

In most cases, if you choose to buy Part A, you must also have Part B (Medical Insurance) and pay monthly premiums for both.

If you must pay for Part A, and you miss your Medicare Initial Enrollment Period, you'll have to pay a Part A late enrollment penalty. Your monthly Part A premium may go up 10%. You'll have to pay the penalty for twice the number of years you could've had Part A, but didn't sign up. For example, if you were eligible for Part A for 2 years but didn't sign up, you'd have to pay the penalty for 4 years. However, the amount can change, depending on what you pay for Part A, which can change each year.

Let's do the math. Suppose you paid Medicare taxes for less than 30 quarters. You'll pay the full Part A monthly premium for that year. If you delayed enrolling in Medicare for 2 full years after you could've enrolled, you'll also pay a Part A late enrollment penalty equal to 10% of the full Part A monthly premium for that year. The penalty amount is added to your monthly Part A premium to determine the total monthly payment. You'll have to pay the penalty for 4 years. But the amount you pay monthly for Part A could change each year, so your penalty amount could change as well.

Contact Social Security for more information about the Part A premium.

### Calculating How Much Kumar Will Pay for Part A

Let's find out how much Kumar will have to pay. First, calculate his Part A late enrollment penalty, which is 10% of the Part A premium for the current year.

Second, add the penalty amount to Kumar's Part A premium to calculate the total Kumar will have to pay for the current year. Select NEXT to answer some follow-up questions from Kumar.

### Part A Late Enrollment: Kumar's Follow-up Question 1

#### Kumar's Question

If I delay enrolling in Medicare for 3 full years after my IEP, instead of 2 years, how long will I have to pay the Part A late enrollment penalty?

#### Counselor Options

Let's help answer Kumar's question. Select the correct response. Then select Submit.

- A. 1 year
- B. 2 years
- C. 6 years
- D. For the rest of his life

#### Feedback

*If A, B, or D is selected on the first and second attempts:*

**Try again.** Remember, Kumar will have to pay the Part A late enrollment penalty for twice the number of years he could've had Part A, but didn't.

*If A, B, or D is selected on the third attempt:*

**Incorrect.** The correct answer is 6 years. Kumar will have to pay the Part A late enrollment penalty for twice the number of years he could've had Part A, but didn't. Therefore, if he was eligible for Part A for 3 years but didn't sign up, he'd have to pay the penalty for 6 years ( $2 \times 3$ ). However, the penalty amount is based on the Part A premium, which can change each year.

*If C is selected:*

**That's right.** Kumar will have to pay the Part A late enrollment penalty for twice the number of years he could've had Part A, but didn't. Therefore, if he was eligible for Part A for 3 years but didn't sign up, he'd have to pay the penalty for 6 years ( $2 \times 3$ ). However, the penalty amount is based on the Part A premium, which can change each year.

## Part A Late Enrollment: Kumar's Follow-up Question 2

### Kumar's Question

I turned down an opportunity to work in the U.S. a few years ago. I'm curious. If I'd paid Medicare taxes for 36 quarters instead of 8 quarters, how would that affect my Part A late enrollment penalty?

### Counselor Options

Let's help answer Kumar's question. Select the correct response. Then select Submit.

- A. Your penalty would be the same.
- B. Your penalty would be lower.
- C. Your penalty would be higher.
- D. You wouldn't have a penalty.

### Feedback

*If A, C, or D is selected on the first and second attempts:*

**Try again.** Here are the Part A premium amounts for 2023:

- \$0 each month if you paid Medicare taxes 40 quarters or more
- \$506 each month if you paid Medicare taxes less than 30 quarters
- \$278 each month if you paid Medicare taxes 30–39 quarters

*If A, C, or D is selected on the third attempt:*

**Incorrect.** Kumar would still have to pay a Part A late enrollment penalty if he'd worked 36 quarters instead of 8. However, his penalty amount would be lower because his Part A premium would be lower (the amount the penalty calculation is based on). Here are the Part A premium amounts for 2023:

- \$0 each month if you paid Medicare taxes 40 quarters or more
- \$506 each month if you paid Medicare taxes less than 30 quarters
- \$278 each month if you paid Medicare taxes 30–39 quarters

*If B is selected:*

**That's right.** Kumar would still have to pay a Part A late enrollment penalty if he'd worked 36 quarters instead of 8. However, his penalty amount would be lower because his Part A premium would be lower (the amount the penalty calculation is based on). Here are the Part A premium amounts for 2023:

- \$0 each month if you paid Medicare taxes 40 quarters or more
- \$506 each month if you paid Medicare taxes less than 30 quarters
- \$278 each month if you paid Medicare taxes 30–39 quarters

Good work helping Kumar figure out what he'll pay for Part A. He has a couple more questions. Select NEXT to help Kumar.

## Health Insurance Marketplace®: Kumar's Question 4

### Kumar's Question

Can I choose to enroll in coverage through a Health Insurance Marketplace®?

### Counselor Options

Let's help answer Kumar's question. Select the best response.

Can Kumar choose to enroll in coverage through a Health Insurance Marketplace?

- A. Yes
- B. No
- C. It depends

#### Feedback

*If A is selected:*

**That's right.** People who have to pay the Part A premium can choose to enroll in a Marketplace plan instead. They may also qualify for premium tax credits and cost-sharing reductions to help pay their health coverage costs. However, if you have a Marketplace plan and don't have Medicare but are eligible, your Marketplace plan may not provide coverage. Check with your plan. If you have to pay for Part A and didn't enroll during your IEP, you may have to pay a late enrollment penalty. Kumar should visit [HealthCare.gov](https://www.healthcare.gov) for more information.

*If B is selected:*

**Try again.** People who have to pay the Part A premium can choose to enroll in a Marketplace plan instead. However, if you have a Marketplace plan and don't have Medicare but are eligible, your Marketplace plan may not provide coverage. Check with your plan. If you have to pay for Part A and didn't enroll during your IEP, you may have to pay a late enrollment penalty.

*If C is selected:*

**Try again.** People who have to pay the Part A premium can choose to enroll in a Marketplace plan instead. However, if you have a Marketplace plan and don't have Medicare but are eligible, your Marketplace plan may not provide coverage. Check with your plan. If you have to pay for Part A and didn't enroll during your IEP, you may have to pay a late enrollment penalty.

#### Medigap, Medicare Advantage, & Part D: Kumar's Question 5

##### Kumar's Question

If I enroll in Medicare during the IEP I'll have when I return to live in the U.S., will I have an opportunity to buy a Medicare Supplement Insurance (Medigap) policy, enroll in a Medicare Prescription Drug Plan (Part D), or enroll in a Medicare Advantage Plan?

##### Counselor Options

Let's help answer Kumar's question. Select the best response.

- A. **Yes.** You can do any of those things.
- B. **No.** These options aren't available to you since you don't qualify for Social Security.
- C. **You can do any of those things except buy a Medigap policy.**

#### Feedback

*If A is selected:*

**That's right.** When Kumar enrolls in Medicare during his IEP, he'll also have the opportunity to buy a Medicare Supplement Insurance (Medigap) policy, and/or enroll in a Medicare drug plan (also known as PDPs), or enroll in a Medicare Advantage Plan. To get Medigap, or if he wants to enroll in a Medicare Advantage Plan, he'll need to enroll in Part A and Part B. To get Medicare drug coverage, he'll need to enroll in Part A or Part B.

*If B is selected:*

**Try again.** Kumar is a U.S. citizen, so he can enroll in Medicare, but can do so only during certain enrollment periods. He must meet eligibility criteria (age, Part A and/or Part B enrollment, and live in the service area) to enroll in Medicare drug coverage or a Medicare Advantage Plan. Also, there are certain times when it's better to buy a Medigap policy than others. Kumar should refer to the department of insurance in the state where he plans to live to find out more.

*If C is selected:*

**Try again.** Kumar can choose to buy a Medicare Supplement Insurance (Medigap) policy if he has both Medicare Part A and Medicare Part B. There are certain times when it's better to buy a Medigap policy than others. Kumar should refer to the department of insurance in the state where he plans to live to find out more.

### Great Work

Great work. You've helped Kumar understand the Medicare enrollment periods, penalties, and coverage options as he prepares to move back to the U.S. Select NEXT.

### Scenario: Lois's Profile

#### Meet Lois

Here's Lois. She's 66 and a U.S. citizen. She and her husband are considering a permanent move to Costa Rica. She's retired. She enrolled in Medicare during her Medicare Initial Enrollment Period (IEP) at 65, and has Part A. She also pays her Part B premium. She has a Medicare Supplement Insurance (Medigap) policy. She already started getting her Social Security retirement benefits. She needs to understand what happens with her Medicare coverage if she decides to live permanently outside of the U.S. She also needs to understand what happens in the future if she decides to return to the U.S.

#### Key Messages for Lois

Here are some key messages you'll learn about in Lois's scenario. Select the Help button to see more details, or select RESOURCES to print or download key messages for all the scenarios in this course.

- **You can't use Medicare outside the U.S.**—Some people choose to keep Medicare and pay their premiums so they won't have late enrollment penalties if they return to the U.S. to live.
- **General Enrollment Period (GEP)**—If you stop your Medicare coverage when you move out of the country, you may have a gap in coverage if you move back to the U.S. because you can only enroll during the GEP, January 1–March 31. Your coverage will start the first day of the month after you sign up.
- **Dropping Part B**—You can drop Part B, but if you do, you'll pay a late enrollment penalty if you return to the U.S. and re-enroll. To stop Part B, you'd need to contact Social Security. Terminating Part B is a serious decision, and you may need to have a personal interview with a Social Security representative.
- **Dropping a Medigap policy**—You can drop your Medigap policy, but if you return to live in the U.S., you might not be able to buy another policy. If you can, it will likely cost more than what you currently pay. Coverage for a pre-existing condition may be excluded or delayed. Medigap policies are sold by private companies, so if you decide to cancel your Medigap policy, you'll need to contact the company that sold it to you.

Select NEXT.

#### Let's Help Lois

Let's help Lois decide whether or not to keep paying her Medicare Part B premium once she moves abroad.

Use the Profile and Help buttons anytime to review Lois' profile and key messages.

Select NEXT to begin.

#### Moving Abroad: Lois's Question 1

##### Lois's Question

I have some questions about whether or not I should stay enrolled in Medicare if I move abroad. Should I continue to pay for Medicare if I can't use it?

##### Counselor Options

Let's help answer Lois's question. Select the best response.



- A. **Yes.** You should definitely continue to pay for Medicare.
- B. **No.** You should definitely not continue to pay for Medicare.
- C. **It depends.**

#### Feedback

*If A is selected:*

**Try again.** Lois needs to understand how her decision will affect costs and coverage if she later decides to return to the U.S. and enroll in Medicare.

*If B is selected:*

**Try again.** Lois needs to understand how her decision will affect costs and coverage if she later decides to return to the U.S. and enroll in Medicare.

*If C is selected:*

**That's right.** Lois doesn't pay for Medicare Part A since she already paid enough Medicare taxes. So, there's no reason for her to drop Part A even though she won't be able to use it outside the U.S.

Lois does pay the monthly Part B premium. She also pays a monthly premium for her Medigap policy. She can't use either one if she resides outside the U.S. However, she could use Part A and Part B if she returns to the U.S. for a visit.

She needs to consider the following in case she later decides to return to the U.S. to live:

- If she drops Part B and later decides to re-enroll, she could have a lifetime Part B late enrollment penalty.
- She may have to wait until the GEP (January 1–March 31 of every year) to enroll in Part B, which may cause a gap in coverage.
- She might not be able to buy another Medigap policy unless a company agrees to sell her one.
- The cost for a new Medigap policy would likely be higher than what she pays now. Also, the company could exclude or delay coverage for pre-existing conditions.

#### Disenrolling from Part B: Lois's Question 2

##### Lois's Question

What do I need to do if I decide to disenroll from Part B?

##### Counselor Options

Let's help answer Lois's question. Select the best response.

- A. **Send a letter to Medicare.**
- B. **Contact Social Security.**
- C. **Talk with a Medicare representative in person.**

#### Feedback

*If A is selected:*

**Try again.** Medicare doesn't enroll or disenroll people.

*If B is selected:*

**That's right.** Lois can voluntarily terminate her Medicare Part B. However, since this is a serious decision, she may need to have a personal interview. A Social Security representative will help her complete [Form CMS 1763](#). To find out more about how to stop Medicare Part B or to schedule a personal interview, she can contact Social Security at **1-800-772-1213**; TTY: **1-800-325-0778**, Monday through Friday, 7 a.m.–7 p.m., or contact her [nearest Social Security office](#). If she moves abroad, she should also notify Social Security or the Railroad Retirement

Board of her new address for her monthly payments.

*If C is selected:*

**Try again.** Medicare doesn't enroll or disenroll people.

### Coverage Options Outside the U.S.: Lois's Question 3

#### Lois's Question

If I can't use Medicare outside the U.S., are there other coverage options available?

#### Counselor Options

Let's help answer Lois's question. Select the best response.

- A. **Yes.** You can ask for an exception to use Medicare outside the U.S.
- B. **No.**
- C. **It depends.**

#### Feedback

*If A is selected:*

**Try again.** You can't use Medicare outside the U.S.

*If B is selected:*

**Try again.** Some countries have a national health insurance program for residents. Or, Lois might want to buy private health insurance that works in that country.

*If C is selected:*

**That's right.** Some countries have a national health insurance program for residents. Or, Lois might want to buy private health insurance that works in that country. She'll need to do some research to check out her options.

### Cancelling a Medigap Policy: Lois's Question 4

#### Lois's Question

How would I cancel my Medigap policy?

#### Counselor Options

Let's help answer Lois's question. Select the best response.

- A. **Contact the company you bought it from.**
- B. **Contact Social Security.**
- C. **Contact Medicare.**

#### Feedback

*If A is selected:*

**That's right.** Medigap policies are sold by private companies. Lois would need to contact the company she bought the policy from to cancel it.

*If B is selected:*

**Try again.** Medigap policies are sold by private companies.

*If C is selected:*

**Try again.** Medigap policies are sold by private companies.

### Great Work

Great work. You've helped Lois consider whether or not to keep paying her Medicare Part B or Medigap policy

premiums once she moves. Select NEXT.

## FAQs

Here are some answers to other questions people might have about Medicare if they live abroad or are planning to live abroad. You can select each question to review the answer.

### Why might U.S. citizens living abroad decide to enroll in Medicare?

Even though you can't use Medicare outside the U.S., you can use your coverage if you travel to the U.S. or U.S. territories. Or, you may expect to return to the U.S. to live in the future, and want to avoid a late enrollment penalty for Part A (if you have to buy it) or Part B if you wait to enroll later.

If you first qualify for Social Security benefits when you live abroad, you may want to enroll in Medicare during your Medicare Initial Enrollment Period (IEP). If you miss your IEP, you may have to wait until the General Enrollment Period (GEP), and your coverage wouldn't start until the first day of the month after you sign up.

### How do U.S. citizens enroll in Medicare if they're living outside the U.S.?

To enroll, contact either the American Embassy or the Consulate in the country in which you're residing. Select the RESOURCES tab for contact information.

### Can a U.S. citizen living abroad enroll in a Medicare Advantage Plan or a Medicare Prescription Drug Plan (Part D), or buy a Medigap policy?

You can't enroll in a Medicare Advantage Plan or a Medicare Prescription Drug Plan (Part D) unless you live in the service area of the plan. Medigap policies are sold by private insurance companies in the state where you live.

Remember:

- You must have Medicare Part A and Part B to join a Medicare Advantage Plan or to buy a Medigap policy.
- You can have Part A, Part B, or both to join a Medicare Prescription Drug Plan (Part D).
- If you move back to the U.S., you'll get a Part D Initial Enrollment Period (IEP) that starts 3 months before (and ends 3 months after) the month you return to live in the U.S.
- Your 6-month Medigap Open Enrollment Period begins when you enroll in Part B.

## Knowledge Check

Let's review what you've learned.

You can use the Help button anytime for key messages specific to the knowledge checks.

Select NEXT to check your knowledge.

### Knowledge Check 1

If you're a U.S. citizen living abroad, when can you apply for Medicare Part B if you didn't enroll during your IEP and don't qualify for an SEP?

#### Options

- A. Anytime you want
- B. As soon as you return to the U.S.
- C. During the GEP (January 1–March 31)
- D. During the OEP (October 15–December 7)

## Feedback

*If A, B, or D is selected on the first and second attempts:*

**Try again.** You can enroll in Part B only during certain enrollment periods. Hint: You can't enroll in Part B during the OEP.

*If A, B, or D is selected on the third attempt:*

**Incorrect.** You can enroll in Part B during the GEP. However, if you went without Part B coverage for more than 12 months, you'll have to pay a lifetime penalty of 10% for each full 12-month period you could've been enrolled, but weren't.

*If C is selected:*

**That's right.** You can enroll in Part B during the GEP. However, if you went without Part B coverage for more than 12 months, you'll have to pay a lifetime penalty of 10% for each full 12-month period you could've been enrolled, but weren't.

## Knowledge Check 2

Assume you live abroad and don't have creditable prescription drug coverage, return to the U.S. in January, and miss your Part D IEP (IEP-D) to apply for Medicare Prescription Drug Coverage (Part D). If you enroll during the next Medicare OEP (October 15–December 7), and your Part D coverage begins January 1 of the following year, how many months will count toward your late enrollment penalty?

Hint: Use the calendar to help you count the months.

## Options

- A. 10 months
- B. 8 months
- C. 12 months
- D. 0 months

## Feedback

*If A, C, or D is selected on the first and second attempts:*

**Try again.** Use the Help button to review key messages about the IEP-D and Medicare OEP.

*If A, C, or D is selected on the third attempt:*

**Incorrect.** The correct answer is 8 months. Your late enrollment penalty will be based on the number of full uncovered months between the end of your IEP-D and when your Medicare drug coverage starts. If you return to the U.S. in January, your IEP-D ends on April 30 (3 months following the month you returned to live in the U.S.). Since you enrolled during the Medicare OEP (October 15–December 7), your drug coverage will begin on January 1. There were 8 months after your IEP-D ended (on April 30) when you were without creditable prescription drug coverage, so your late enrollment penalty is 8% of the national base beneficiary premium, and it'll be added to your monthly drug plan premium.

*If B is selected:*

**That's right.** Your late enrollment penalty will be based on the number of full uncovered months between the end of your IEP-D and when your Medicare drug coverage starts. If you return to the U.S. in January, your IEP-D ends on April 30 (3 months following the month you returned to live in the U.S.). Since you enrolled during the Medicare OEP (October 15–December 7), your drug coverage will begin on January 1 of the year following your return to the U.S. There were 8 months after your IEP-D ended (on April 30) when you were without creditable prescription drug coverage, so your late enrollment penalty is 8% of the national base beneficiary premium, and it'll be added to your monthly drug plan premium.

## Knowledge Check 3

If you're a U.S. citizen not eligible for premium-free Part A, live abroad, and return to live in the U.S. in May, when

is your Medicare IEP?

### Options

- A. February, March, April, and May
- B. May, June, July, and August
- C. March, April, and May

### Feedback

*If A or C is selected on the first attempt:*

**Try again.** Hint: The IEP for a U.S citizen who's **not eligible for premium-free Part A** starts the month in which the U.S. citizen, 65 or over, establishes U.S. residence.

*If A or C is selected on the second attempt:*

**Incorrect.** The correct answer is May, June, July, and August. Your IEP starts in May (the month you start to reside in the U.S.) and goes through June, July, and August. The IEP for a U.S. citizen **not eligible for premium-free Part A** starts the month in which the U.S. citizen, 65 or over, establishes U.S. residence (this is considered the fourth month of the person's IEP), and ends 3 months after that month.

*If B is selected:*

**That's right.** Your IEP starts in May (the month you start to reside in the U.S.) and goes through June, July, and August. The IEP for a U.S. citizen **not eligible for premium-free Part A** starts the month in which the U.S. citizen, 65 or over, establishes U.S. residence (this's considered the fourth month of the person's IEP), and ends 3 months after that month.

### Knowledge Check 4

If you don't qualify for premium-free Medicare Part A, when you move back to the U.S., can you get coverage through a Health Insurance Marketplace® instead of Medicare?

### Options

- A. No, you can't enroll in a Marketplace plan.
- B. Yes, you can enroll in a Marketplace plan.
- C. Yes, you can enroll in a Marketplace plan, but you won't qualify for a premium tax credit, or cost-sharing reduction.
- D. None of the above.

### Feedback

*If A, C, or D is selected on the first and second attempts:*

**Try again.** Use the Help button to review key messages about this issue.

*If A, C, or D is selected on the third attempt:*

**Incorrect.** The correct answer is yes, you can enroll in a Marketplace plan. Since you don't qualify for premium-free Medicare Part A, you can choose to enroll in a Marketplace plan. You may qualify for tax credits and help with your cost-sharing, provided you meet the eligibility requirements. However, if you have a Marketplace plan and don't have Medicare but are eligible, your Marketplace plan may not provide coverage. Check with your plan. If you have to pay for Part A and didn't enroll during your IEP, you may have to pay a late enrollment penalty.

*If B is selected:*

**That's right.** If you don't qualify for premium-free Medicare Part A, you can choose to enroll in a Marketplace plan. You may qualify for tax credits and help with your cost-sharing, provided you meet the eligibility

requirements. However, if you have a Marketplace plan and don't have Medicare but are eligible, your Marketplace plan may not provide coverage. Check with your plan. If you have to pay for Part A and didn't enroll during your IEP, you may have to pay a late enrollment penalty.

### Knowledge Check 5

If you have to wait to enroll in Medicare Part B (or Part A, if you have to buy it) during the GEP (January 1–March 31 each year), when would your coverage start?

#### Options

- A. February 1
- B. July 1 of the same year
- C. The month you sign up
- D. The first day of the month after you sign up

#### Feedback

*If A, B, or C is selected on the first and second attempts:*

**Try again.** Hint: Use the Help button to review key messages about this issue.

*If A, B, or C is selected on the third attempt:*

**Incorrect.** The correct answer is the first day of the month after you sign up. If you enroll in Part B during the GEP (January 1–March 31), your coverage will start the first day of the month after you sign up. This means you may have a gap in coverage and a late enrollment penalty.

*If D is selected:*

**That's right.** If you enroll in Part B during the GEP (January 1–March 31), your coverage will start the first day of the month after you sign up. This means you may have a gap in coverage and a late enrollment penalty.

### Knowledge Check 6

What are some possible consequences of cancelling your Medigap policy before you move abroad and later return to live in the U.S.?

#### Options

- A. You might not be able to buy another Medigap policy.
- B. If you buy a Medigap policy later, it will likely cost more than what you currently pay.
- C. Coverage for pre-existing conditions may be excluded or delayed.
- D. All of the above.

#### Feedback

*If A, B, or C is selected on the first and second attempts:*

**Try again.** There's a better answer. Use the Help button to review key messages about this issue.

*If A, B, or C is selected on the third attempt:*

**Incorrect.** The correct answer is "All of the above." You can drop your Medigap policy, but if you return to live in the U.S. later, you might not be able to buy another policy, and if you do, it will likely cost more than what you currently pay. Coverage for pre-existing conditions may be excluded or delayed.

*If D is selected:*

**That's right.** You can drop your Medigap policy, but if you return to live in the U.S. later, you might not be able to buy another policy, and if you do, it will likely cost more than what you currently pay. Coverage for pre-existing conditions may be excluded or delayed.

### Knowledge Check Results

No narration.

## Congratulations!

You helped Bianca and Kumar understand if and when they can enroll in Medicare and how it may affect what they pay while currently living outside of the U.S. You also helped Lois understand her Medicare decisions as she considers moving abroad.

What do you want to do next? Select from the following options:

- Use the RESOURCES tab to access the Key Messages job aid and other resources.
- Exit this course to complete a course evaluation and get a personalized certificate of completion.

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To view all available CMS National Training Program training materials, visit [CMSnationaltrainingprogram.cms.gov](https://CMSnationaltrainingprogram.cms.gov).

## Disclaimer notice

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