

Medicare Periodic Data Matching (PDM) – External Frequently Asked Questions (FAQ)

Q1. What is Medicare PDM?

A1: As described in Health Insurance Exchange regulations at 45 CFR 155.330(d)(1)(ii), Medicare PDM includes the process by which Health Insurance Exchanges (also referred to as the Exchange or Marketplace) periodically examine available data sources to identify consumers enrolled in Exchange health plans with financial help at the same time they're determined eligible for or enrolled in Medicare Part A (Hospital Insurance) or Medicare Part C (Medicare Advantage) that's considered qualifying coverage (also known as Minimum Essential Coverage or MEC¹). Financial help includes advance payments of the premium tax credit (APTC) and cost-sharing reductions (CSR), which help pay for Exchange plan premiums and covered services. The Exchange (for purposes of this document, this generally refers to Health Insurance Exchanges that use the federal eligibility and enrollment platform) notifies these consumers that:

- Their Exchange coverage may duplicate benefits they already get through Medicare.
- They may benefit from ending their Exchange coverage.
- They don't qualify for APTC or CSR for Exchange coverage after they became eligible for Medicare that is MEC.

Q2: Why will this notice be sent to consumers?

A2: Consumers must take action if they're eligible for or enrolled in qualifying coverage through Medicare Part A (or enrolled in Medicare Part C), and an Exchange plan with financial help. In those cases, they're not eligible for APTC/CSR for Exchange coverage after they became eligible for Medicare that is MEC and must end their financial assistance through the Exchange. If they don't take this step, the household's tax filer(s) will likely have to pay back all or some of the APTC paid to the health plan on the consumer's behalf for Exchange coverage after they became eligible for Medicare that is MEC.

Note: Consumers who have to pay a premium for Medicare Part A (because they're not entitled to premium-free Part A), should compare their Exchange plan costs with their Medicare benefits and total premiums (including Medicare Part A and Medicare Part B, and, as applicable Medicare Part C, as well as Medicare Part D). They can choose to end Medicare coverage and remain enrolled in an Exchange plan, with or without APTC/CSR.

Consumers entitled to or enrolled in Medicare Part A without a premium (including if enrolled in Part C) can also end all of their Medicare coverage to become eligible for Exchange financial help, but this option is likely much more costly and requires paying back all Social Security and Medicare benefits. This may also result in Medicare late enrollment penalties if the consumer enrolls in Medicare at a later time. Consumers can contact the Social Security Administration for more information by visiting SocialSecurity.gov, going to a local Social Security office or calling Social Security directly at 1-800-772-1213 (TTY: 1-800-325-0778).

¹ Medicare Part A and Part C are considered MEC; some forms of Medicare coverage (e.g. Medicare Part B only and Part D only) are not considered MEC.

Q3: Who will receive a Medicare PDM notice?

A3: The Exchange will conduct a data match against the Centers for Medicare & Medicaid Services' (CMS) internal Medicare enrollment databases to determine whether consumers who are enrolled in Exchange coverage with APTC/CSR are also eligible for or enrolled in Medicare Part A or Medicare Part C. The consumers for whom a data match will be conducted are all those enrolled in Exchange coverage who have a Social Security Number that has been successfully validated by the Social Security Administration. The Exchange will generate one Medicare PDM notice per affected tax household. The notice identifies all affected consumers for the household's Exchange application and includes instructions for required next steps. The notice will be addressed to the household's primary contact and posted to My Account or sent by mail, depending on the primary contact's preference listed in My Account at the time of initial application or application updates by the consumer.

Q4. Which parts of Medicare are considered Minimum Essential Coverage or MEC?

A4: Medicare Part A and Medicare Part C are both considered MEC; however, if a consumer is required to pay a premium for Medicare Part A (because they are not entitled to premium-free Medicare Part A), such coverage will be considered MEC only if the consumer is actually enrolled in Medicare Part A. If such a consumer opts not to enroll in Medicare Part A, they may still be eligible for APTC or CSR to help pay for an Exchange plan premium and covered services. A consumer who's eligible for premium-free Medicare Part A or enrolled in Medicare Part A isn't eligible for APTC or CSR to help pay for an Exchange plan premium and covered services, regardless of whether the consumer actually enrolls. Since Medicare Part C (Medicare Advantage) is also considered MEC, a consumer who is enrolled in a Medicare Advantage Plan isn't eligible for APTC or CSR to help pay for an Exchange plan premium and covered services.

Q5: How is a consumer determined eligible for Medicare? Are consumers ever automatically enrolled into Medicare?

A5: Consumers may become eligible for Medicare while enrolled in an Exchange plan with or without APTC/CSR for many reasons, including aging into Medicare, reaching the 25th month of disability, or being diagnosed with certain diseases that permit Medicare enrollment (Lou Gehrig's disease or end-stage renal disease). A consumer who's getting Social Security benefits at least 4 months prior to their 65th birthday will be automatically enrolled in premium-free Medicare Part A and Part B. Additionally, consumers who reach their 25th month of disability and are receiving Social Security disability benefits, will also be automatically enrolled in premium-free Medicare Part A and Part B. Consumers who are eligible for Medicare but are not automatically enrolled for any of the reasons listed above, must submit an application to enroll in Medicare Part A and Part B through the Social Security Administration. For more information on Medicare eligibility and enrollment, refer to [Medicare.gov/sign-up-change-plans/how-do-i-get-parts-a-b](https://www.medicare.gov/sign-up-change-plans/how-do-i-get-parts-a-b).

Q6. What are the impacts to a consumer's premium if they're dually enrolled in Medicare and Exchange coverage? Does it matter if they also get APTC?

A6: There is no impact to the Exchange plan premium itself. However, when a consumer is enrolled in both Medicare (Part A or Part C) and an Exchange health plan, they don't qualify for APTC to help reduce their monthly payment (or reductions in cost-sharing to help with paying for covered services), and they'll have to pay the full cost of the Exchange health plan premium and covered services for Exchange coverage after they became eligible for Medicare that is MEC. Additionally, the household's tax filer may have to repay all or some of the APTC paid to the health plan on the consumer's behalf for Exchange coverage after they became eligible for Medicare that is MEC when they file their federal income taxes. Finally, consumers should contact their issuer for information about how Coordination of Benefits rules may apply.

Q7: Can a consumer age 65 and receiving Social Security benefits decline Medicare Part A and only enroll in Medicare Part B?

A7: A consumer who's getting Social Security benefits before the individual turns 65 will automatically be enrolled in premium-free Medicare Part A and Medicare Part B on the first day of the month in which they turn 65. This occurs because the consumer 1) is already getting Social Security benefits, and 2) has aged into Medicare, and 3) is eligible for premium-free Medicare Part A.

In this case, the consumer can't decline Medicare Part A without withdrawing their application for benefits from the Social Security Administration and paying back all Social Security and Medicare benefit amounts previously provided.

Q8: How did Medicare PDM change after 2019?

A8: Prior to 2019, Medicare PDM was a resource-intensive manual process. It didn't allow for the Exchange to end APTC/CSR for consumers found dually enrolled in Medicare and an Exchange health plan. CMS initiated information technology (IT) functionality in 2018 that now allows the Exchange to take action and end a consumer's APTC/CSR if they're found to be dually enrolled in Medicare and an Exchange health plan. Currently, the Exchange ends Exchange health plan coverage for consumers who permit the Exchange to take this action if they're found to be dually enrolled at a later date. This written permission is granted by the consumer via a new attestation question that was added in Plan Year 2018 to the application used by the Exchange. Based on the primary contact's preference, the Exchange either posts the Medicare PDM notice to the consumer's My Account online or mails it to the consumer's primary address depending on the consumer's preference set at initial application or during application updates. Impacted consumers will have 30 days from the date the notice is sent to respond to the notice. For consumers who do not respond to the notice, the Exchange ends APTC/CSR and/or Exchange plan coverage, depending on what the consumer elected when applying, after the 30-day window elapses.

Q9: How often will the Exchange send the Medicare PDM notice?

A9: Per the Exchange Program Integrity Rule (CMS-9922-F) published in the Federal Register on December 27, 2019 (84 FR 71674), all Exchanges are required to conduct Medicare PDM at least twice per year beginning on January 1, 2021. CMS expects the Exchange to send Medicare PDM notices approximately 4 times per calendar year to ensure that consumers receive timely notification of their dual enrollment status. However, the frequency will depend on various factors, including evaluations of previous rounds of Medicare PDM.

Q10. How can consumers avoid financial penalties if they want to enroll in Medicare Part B?

A10: For a limited time, the Medicare PDM notice informs consumers of the potential for “equitable relief,” which may be available for certain consumers dually enrolled before June 30, 2020. This relief may provide eligible consumers with an opportunity to enroll in Medicare Part B without a late enrollment penalty. In addition, consumers can request a penalty reduction if they enrolled in Medicare Part B with a penalty while eligible for this relief. This relief will be considered on a case-by-case basis for current or previously dually enrolled beneficiaries. To be eligible for the relief, the consumer must provide evidence of dual enrollment, be enrolled in premium-free Medicare Part A, **AND:**

- Have a Part A entitlement date between July 2013 and June 2020, OR
- Have been notified by Social Security of retroactive Part A entitlement between October 1, 2013 and June 30, 2020, OR
- Have a Part B Special Enrollment Period (SEP) that ended between October 1, 2013 and June 30, 2020.

Consumers should contact the Social Security Administration to request enrollment in Medicare Part B or a penalty reduction for late enrollment in Medicare Part B. When they make their request, consumers will need to bring a copy of their Medicare PDM notice in person to the Social Security office.

Q11. Why is CMS expanding its outreach efforts?

A11: CMS expanded communication efforts so that consumers receive information from CMS about the risks of delayed enrollment in Medicare Part B. CMS updated Medicare enrollment communications to include additional information about the risks of continuing individual Exchange health plan coverage at the same time they’re enrolled in Medicare. While these efforts are underway, CMS is continuously working to ensure that dually-enrolled consumers in both Medicare and an Exchange plan have the information to make informed choices about Part B enrollment and also understand the coverage transition from the Exchange to Medicare. As such, beginning in 2020, CMS is now sending out notices to Exchange enrollees turning 65 every month to ensure they know they might be eligible for Medicare. This notice also provides information on Medicare enrollment timelines, the consequences of dual enrollment, and how to end their Exchange plan coverage once they become enrolled in Medicare.

Q12: Can a consumer appeal if they believe they’re still eligible for financial assistance (i.e., APTC/CSR) or that their Exchange plan coverage was incorrectly terminated?

A12: Yes. Consumers who believe that the Exchange erroneously ended their APTC/CSR or Exchange plan coverage, may submit an appeal to the Department of Health & Human Services (HHS) appeals entity, which is referred to as the Marketplace Appeals Center. Consumers will receive instructions on how to appeal the Exchange's determination in the final PDM notice outlining the action that the Exchange will be taking, specifically, ending APTC/CSR or Exchange plan coverage.