

What are plans required to do before an individual is disenrolled from the plan?

Plans are required to:

- Send a bill with the amount due and a due date.
- Send a written notice of non-payment. The notice must explain that the person will be disenrolled from the plan if full payment hasn't been made by the end of the grace period.

Plans are encouraged to send additional notices or attempt to contact the member about the late premiums prior to the end of the grace period. If the person with Medicare still doesn't pay the amount that's past due, the plan can disenroll them as of the first day of the month following the end of the grace period. When this happens, the plan will send a final notice to the member about the disenrollment.

How does the grace period work?

A plan must provide a grace period of at least 2 calendar months. Some plans may choose to provide a longer grace period.

Example: Plan XYZ has a 2-month grace period for premium payment. Mr. Smith's premium was due on February 1. He didn't pay this premium. On February 7, the plan sent a non-payment notice to Mr. Smith. He ignores this notice and any follow-up premium bills. The grace period is the months of February and March. If Mr. Smith doesn't pay his plan premium before the end of March, he'll be disenrolled as of April 1.

Can a person be disenrolled from a Part D plan for not paying his or her Part D-Income Related Monthly Adjustment Amount (Part D-IRMAA)?

People with higher incomes that are assessed a Part D-IRMAA pay an additional amount directly to the government, not to their Part D plan. Medicare has established a 3-month initial grace period before individuals who fail to pay their Part D-IRMAA will be disenrolled from their plan. After the 3-month grace period, Medicare will tell the plan to disenroll the member. The plan must send the member a written notice of disenrollment within 10 calendar days of being notified by Medicare. **An individual may be disenrolled from a Medicare Advantage Plan or employer group health plan if that plan includes their Part D coverage.**

What happens after a person with Medicare is disenrolled from his or her plan?

Once a person with Medicare is disenrolled from his or her plan, they must wait until the next available enrollment period to join another plan. Someone who's disenrolled from a Medicare Advantage Plan will automatically be enrolled in Original Medicare. Generally, people with Medicare can make changes to their coverage between October 15–December 7 each year, unless they qualify for a Special Enrollment Period.

Important for people with Medicare losing Medicare prescription drug coverage: If there's a period of 63 days or more in a row during which the person with Medicare isn't enrolled in a Medicare drug plan and doesn't have other creditable prescription drug coverage, they may have to pay a monthly Part D late enrollment penalty when they join a new plan. Creditable prescription drug coverage is coverage (for example, from an employer or union) that's expected to pay, on average, at least as much as Medicare's standard prescription drug coverage.

Can an individual re-enroll in a Part D plan if he or she repays the premium?

Yes. If a person with Medicare is disenrolled from a Part D plan for failure to pay premiums and wants to re-enroll in the plan, the Part D plan may require them to pay any outstanding premiums owed before accepting the enrollment request. Also, the person with Medicare must enroll during a valid enrollment period, since payment of past due premiums after the disenrollment date doesn't create an opportunity for reinstatement into the plan. **Re-enrollments after losing coverage for nonpayment of premiums are never retroactive.**

An individual may also ask to get their coverage back through reinstatement under Medicare's "Good Cause" policy, if the individual can show "good cause" (a good reason) for not paying the premiums within the grace period. A good reason would have to be an emergency or unexpected situation that kept an individual from paying his or her premium on time. If the request is approved, the individual will have to pay all owed premium amounts within 3 months of the disenrollment to get the coverage back. To request Good Cause, individuals should contact their plan as soon as possible, but no later than 60 calendar days after the disenrollment effective date.

For more information

- Members should call their plan for more information about disenrollment and premium payment options. Each plan may have different rules for disenrolling members who fail to pay plan premiums. Plans may also offer other premium payment options, like monthly credit card billing or Electronic Funds Transfer.
- Members can call 1-800-MEDICARE (1-800-633-4227) if they have questions about disenrollment for non-payment of Part D-IRMAA. TTY users can call 1-877-325-0778.
- Members can call Social Security at 1-800-772-1213 if they have questions about their Part D-IRMAA assessed amount. TTY users can call 1-800-325-0778.