CMS
CENTERS FOR MEDICARE & MEDICAID SERVICES

Transitioning from Marketplace to Medicare Coverage

September 2025

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Topics

- Background on Medicare
- Automatic versus active enrollment
- Recent policies impacting Medicare
- Premium and Premium-free Medicare Part A effective dates
- How to end or make changes to Marketplace coverage
- Medicare Periodic Data Matching (PDM)
- Medicare and eligibility for financial assistance through the Marketplace
- Scenarios

What is Medicare?

- Medicare is a federal health coverage program for:
  - People 65 or older,
  - People under 65 receiving Social Security or Railroad Retirement Board disability benefits and with certain disabilities, including amyotrophic lateral sclerosis (ALS), also known as Lou Gehrig's disease, and
  - People of any age with End-Stage Renal Disease (ESRD) (permanent kidney failure requiring dialysis or a kidney transplant).
- To estimate Medicare eligibility and premium amounts, consumers may visit Medicare.gov: Eligibility and Premium Estimate.

Parts of Medicare

- There are 4 different parts of Medicare: Part A, B, C, & D:
  - Medicare Part A (Hospital Insurance) (MEC) or (QHC)*
  - Medicare Part B (Medical Insurance)
  - Medicare Part C (Medicare Advantage Plans) (MEC) or (QHC)*
  - Medicare Part D (Prescription Drug Coverage)

* Minimal Essential Coverage (MEC) also known as Qualifying Health coverage (QHC) is any insurance plan that meets the Affordable Care Act requirement for having health coverage. Coverage under the Medicare program under Part A qualifies as MEC or QHC. Medicare Advantage plans, which provide Medicare Parts A and B benefits through a private insurer *also qualify as MEC or QHC.*

For more information, go to Minimum Essential Coverage and Qualifying Health Coverage, in the Healthcare.gov glossary.

Understanding Medicare Part A (Hospital Insurance)

- Medicare Part A Coverage includes:
  - Inpatient Hospital Care
  - Skilled care in a nursing facility for 100 days
  - Hospice
  - Home health services for homebound individuals who require skilled services, observation, or education following an inpatient hospital or skilled nursing facility stay
- **Part A is considered MEC or QHC**

Understanding Medicare Part B (Medical Insurance)

- Part B covers many services in 2 main categories:
  - **Medically necessary items and services**: Outpatient Services or supplies that are needed to diagnose or treat medical conditions and that meet accepted standards of medical practice. Includes outpatient doctor visits, ambulance services, durable medical equipment, mental health care, and other benefit categories.
  - **Preventive services**: Health care to prevent illness with vaccines as well as screenings to detect disease and provide best practices for treatments. For a list of preventive and screening services that Part B covers, go to: Preventive & screening services.

- **Part B alone is NOT considered MEC or QHC**

Who Qualifies for Medicare A and B

Consumers can get Premium-free Medicare Part A at 65 or older if:

- They or their spouse worked for the equivalent of 10 years, either consecutively or non-consecutively, at jobs where they paid Medicare taxes. “Qualifying quarters of coverage” in the Social Security program are based on how many months they worked and paid Medicare taxes.
- They are eligible to receive retirement benefits from Social Security or have received Railroad Retirement Board (RRB) benefits for 25 months, have received disability benefits for 24 months or are receiving ALS disability benefits.
- They have ESRD and meet other specific requirements, including having the required qualifying quarters of coverage.
- Part B is a voluntary program which requires the payment of a monthly premium for all months of coverage. People who are automatically enrolled have the choice whether they want to keep or refuse Part B coverage.

How much does Part B cost?

- Consumers will need to pay a premium for Part B. The standard Part B premium amount in 2025 is $185.00 per month for consumers who are eligible for Part B.
- If a consumer's modified adjusted gross income (MAGI) as reported on their Federal income tax return from 2 years ago is above a certain amount, they may pay an Income Related Monthly Adjustment Amount (IRMAA) in addition to the standard monthly premium amount for Part B. (They may also pay an IRMAA in addition to the monthly premium if they enroll in a Part D plan.)
- For more information on IRMAA, including how much a consumer might owe based on their MAGI, consumers can visit 2025 Medicare costs.

How much does Part B cost? (Cont.)

- Many consumers may be eligible for assistance with paying the Part B premium through the Medicare Savings Programs (MSPs). In addition, the MSPs may cover deductibles, coinsurance, and copayments if they meet certain conditions.
- The consumer should reach out to their respective State Health Insurance Assistance Program (SHIP) or State Medicaid Office for more information on MSPs.
- For more information, visit Medicare Savings Program and SHIP.

Medicare Part C (Medicare Advantage or MA Plans)

- Medicare Advantage (MA) Plans are approved by Medicare but are run by private insurance companies. All MA Plans provide Part A (Hospital Insurance) and Part B (Medical Insurance) with certain exclusions for hospice care, transplants, and some clinical trials.
- Most Medicare Advantage Plans also provide Part D, or Medicare prescription drug, benefits.
- MA plans may offer some extra benefits that Original Medicare doesn't cover – like certain vision, hearing, and dental services.
- In many cases, consumers need to use health care providers in the plan's network or have comparatively better cost-sharing when receiving care from the plan's in-network providers, and they may need to get approval from the plan before it covers certain drugs or services.
- Plans may have lower or higher out-of-pocket costs than Original Medicare, and consumers may also have an additional premium.
- When enrolled in an MA plan, consumers must continue to pay their Part B premium and may also have to pay the plan's premium. Some plans may have a $0 premium and may help pay all or part of your Part B premium.
- To join a Medicare Advantage Plan, a consumer must have Part A and Part B and live in the plan's service area.
- **Part C is considered MEC or QHC.**

Medicare Part D (Prescription Drug Coverage)

- Part D sponsors, i.e. private insurance companies that meet CMS requirements, contract with CMS to provide Part D enrollees with their prescription drug benefits through stand-alone Part D prescription drug plans.
- Most Medicare Advantage Plans also provide Part D, or Medicare prescription drug, benefits. These plans are known as MA-PDs.
- An individual with Original Medicare (Part A and/or Part B) can sign up for a standalone Part D plan.
- To join a Medicare Part D prescription drug plan, a consumer must be entitled to benefits under Part A or enrolled under Part B and live in the plan's service area and be a U.S. citizen or lawfully reside in the U.S.
- Beginning in 2025, the Medicare Prescription Payment Plan requires all Part D plans – including both stand-alone Medicare Part D plans and MA-PDs – to offer Part D enrollees the option to pay their out-of-pocket (OOP) prescription drug costs in the form of monthly payments over the course of the year instead of all at once at the pharmacy.
- In 2025, yearly out-of-pocket drug costs are capped at $2,000.

How Consumers Enroll in Medicare Part A: Automatic Versus Manual Enrollment (Slide 1 of 3)

Enrollment in Medicare Part A is automatic **only** for people who meet all eligibility requirements for premium-free Part A:

- Turn 65 and are entitled to and receiving monthly Social Security benefits (SSB) or Railroad Retirement Board (RRB) benefits; or
- Are under age 65 and have been getting Social Security Disability Insurance (SSDI) or RRB disability benefits for 24 months; or
- Have amyotrophic lateral sclerosis (ALS) and have been receiving SSDI or RRB disability benefits.

How Consumers Enroll in Medicare Part A: Automatic Versus Manual Enrollment (Cont.) (Slide 2 of 3)

Individuals who meet all eligibility requirements who **must actively** (manually) apply to enroll in Medicare Part A and B include:

- Those who aren't getting SSB or RRB benefits during their initial enrollment period (which covers the three months before, the month of, and the three months after someone turns age 65)
- Those who have End-Stage Renal Disease (ESRD) and receive regular courses of dialysis or a kidney transplant*
- Those who must pay a premium for Medicare Part A (those not eligible for Premium-free Medicare Part A)
- If a consumer lives in Puerto Rico, they're signed up for Part A automatically if they get SSB or RRB. They must sign up for Part B manually.

How Consumers Enroll in Medicare Part A: Automatic Versus Manual Enrollment (Cont.) (Slide 3 of 3)

*Note: Eligibility for Medicare coverage based on ESRD works differently than other types of Medicare eligibility. If a consumer is eligible for Medicare based on ESRD and didn't sign up right away, their coverage could start up to 12 months before the month they apply. For more information, visit Medicare.gov: End-Stage Renal Disease (ESRD).

It's important to sign up for Medicare coverage during your Initial Enrollment Period, unless you have other coverage that's similar in value to Medicare (like from an employer). If you don't, you may have to a late enrollment penalty.

Knowledge Check #1

Which of these qualifies a consumer who meets all eligibility requirements for premium-free Medicare Part A for **automatic** enrollment into Medicare Part A and B?

A. A consumer who has ESRD and receiving regular dialysis.

B. A consumer who must pay a premium for Medicare Part A.

C. A consumer who is over age 65 and isn't getting SSB.

D. A consumer who is turning 65 and is already entitled to and receiving SSB during their initial enrollment period.

Knowledge Check #1 Answer

Which of these qualifies a consumer who meets all eligibility requirements for premium-free Medicare Part A for **automatic** enrollment into Medicare Part A and B?

D. A consumer who is turning 65 and is already entitled to and receiving SSB during their initial enrollment period (IEP).

How Consumers Enroll in Medicare: Automatic Enrollment

If a consumer meeting all eligibility requirements is receiving SSB or RRB retirement benefits four months before their 65th birthday, the consumer will get a Medicare card in the mail three months before their 65th birthday and will be automatically enrolled in Part A and Part B (except in Puerto Rico).

Medicare Part A and Part B coverage usually begins on the first day of the month the consumer turns 65. But if the consumer's birthday falls on the first day of the month, their Medicare coverage (including premium-free Part A) will begin on the first day of the *previous* month.

How Consumers Enroll in Medicare: Active (i.e., "Manual") Enrollment

Consumers can sign up for Medicare through the Social Security Administration by:

- Visiting SSA.gov: Plan for Medicare.
- Calling Social Security at 1-800-772-1213 (TTY: 1-800-325-0778).
- Contacting a local Social Security office.
- If a consumer or their spouse worked for a railroad, they can call the Railroad Retirement Board (RRB) at 1-877-772-5772 (TTY: 312-751-4701).

Assisters can refer clients to a local State Health Insurance Assistance Program (SHIP) for more help with Medicare eligibility and enrollment and information about Medicare benefits.

The Medicare Initial Enrollment Period (IEP)

- For consumers who are eligible for Medicare based on turning age 65 and meeting the other eligibility requirements, the Initial Enrollment Period (IEP) to sign up for Medicare Part A and for Medicare Part B, if not automatically enrolled, is seven months long.
- Consumers who are not automatically enrolled in Medicare and must actively sign up for Medicare Part A are encouraged to sign up as soon as possible for Medicare Part B during their IEP.
- If they do not enroll during their IEP, most consumers may have to wait until Medicare's General Enrollment Period (GEP) or qualify for a Special Enrollment Period (SEP). In addition to potential gaps in coverage, these consumers may also be subject to a monthly late enrollment penalty for Medicare Part A (for consumers who must pay a premium for Part A) or Part B.

The Medicare Initial Enrollment Period (IEP) (Cont.)

The IEP begins three months before the consumer's 65th birthday, includes the month they turn 65, and ends three months after their 65th birthday.

Note: If the consumer's birthday falls on the first of the month, their IEP starts four months prior to their 65th birthday.

When does Premium-free Medicare Part A Coverage Start?

- For people **automatically enrolled at age 65**, coverage starts the first of the month they turn 65. If their birthday is on the first of the month, coverage starts a month earlier (the month before they turn 65).
- Consumers who are turning 65 and are not automatically enrolled can sign up any time after their IEP begins.
- If consumers sign up after their IEP has ended, their Premium-free Part A coverage start date will go back (retroactively) up to six months from when they submit the application for Medicare Part A, but no earlier than the first day of the month they turn 65.

When does Premium-free Medicare Part A Coverage Start? (Cont.)

- Consumers who are newly eligible for or enrolled in premium-free Medicare Part A should report this change as soon as possible to the Marketplace and either end their Marketplace coverage or, if they choose, remain in their Marketplace plan.
- Once consumers are considered eligible for or enrolled in premium-free Medicare Part A or Part C or enrolled in premium Part A, they'll no longer be eligible for any premium tax credits or other cost savings they may be getting for their Marketplace plan. Consumers considered eligible for or enrolled in premium-free Medicare Part A or enrolled in premium Part A will have to pay full price for their Marketplace plan.
- Generally, individuals getting advance payments of the premium tax credit (APTC) while dually enrolled in coverage through the Marketplace and Medicare may have to pay back all or some of the APTC received for months the individual was enrolled in both Marketplace coverage with APTC and Medicare Part A when they file their federal income tax return.

When can consumers sign up for Premium Part A?

- Consumers who are eligible for Premium Part A must decide if they want to enroll and pay premiums for Part A. Consumers must be eligible for and enrolling in (or already enrolled in) Medicare Part B in order to be eligible for Premium Part A. If they decided to do so, they must sign up during their IEP. Otherwise, they may have to wait until the Medicare GEP or qualify for an SEP to sign up.
- The Medicare GEP begins in January and ends in March, and beginning in 2023, coverage begins the first day of the month following the month in which the individual enrolls.
- SEPs for Medicare aren't the same as SEPs for the Marketplace.
- Terminating Marketplace coverage doesn't result in an SEP to enroll in Medicare Part A or Part B.
- If consumers don't enroll during their IEP, they may face late enrollment penalties that make Medicare premiums more expensive for as long as they are enrolled in Medicare.

Medicare Special Enrollment Periods (SEPs)

- SEPs provide individuals who meet certain exceptional conditions and who missed a Medicare enrollment period an opportunity to enroll without having to wait for the GEP and without being subject to a late enrollment penalty (LEP) for Part B (or premium-Part A). Part D LEPs may still apply.
- Specifically, the following SEPs are available, for those individuals who qualify:
  - An SEP for Individuals Impacted by an Emergency or Disaster
  - An SEP for Health Plan or Employer Error
  - An SEP for Formerly Incarcerated
  - An SEP to Coordinate with Termination of Medicaid Coverage
  - An SEP for Other Exceptional Conditions

Note: Medicare SEPs may be available to individuals who meet certain exceptional conditions and who missed a Medicare enrollment period. This is an opportunity to enroll without having to wait for the GEP and without being subject to a late enrollment penalty (LEP).

For more information on immunosuppressive coverage under Part B, please visit: Medicare Part B Immunosuppressive Drug Benefit (PBID).

The Inflation Reduction Act (IRA) and Medicare: Part D Improvements and Changes to Medicare Part B

- Under the Inflation Reduction Act of 2022 (IRA), out-of-pocket costs for insulin in Medicare are now capped at $35 per month's supply of each covered insulin product under Part D, as of January 1, 2023, with a similar cap which took effect in Part B on July 1, 2023.
- Part D Benefit Improvements:
  - Insulin available at $35/month's supply of each covered insulin product
  - ACIP-recommended adult Part D vaccines covered without cost-sharing
  - A yearly cap ($2,000 in 2025 and $2,100 in 2026) on out-of-pocket prescription drug costs in Medicare
  - Expansion of the low-income subsidy program (LIS or "Extra Help") under Medicare Part D to individuals with limited resources and incomes below 150 percent of the federal poverty level.

The Inflation Reduction Act (IRA) and Medicare: Part D Improvements and Changes to Medicare Part B (Cont.)

- Changes to Medicare Part B:
  - For certain Part B drugs and biologicals whose prices increase faster than the rate of inflation, the beneficiary coinsurance is 20 percent of the inflation-adjusted payment amount, which is less than what the beneficiary would pay in coinsurance otherwise.
  - Imposes a $35/month cost-sharing cap on insulin furnished through insulin pumps covered as durable medical equipment.

Ending Marketplace Coverage

- Marketplace coverage does not automatically end when a consumer becomes eligible for or begins Medicare.
- The Marketplace does not determine or facilitate eligibility for Medicare. However, the Marketplace asks about Medicare enrollment and may use information from electronic sources regarding Medicare eligibility because consumers who are eligible for or enrolled in Medicare coverage are ineligible for financial assistance on a Marketplace plan.
- For more instructions on how to time ending Marketplace coverage and signing up for Medicare, visit HealthCare.gov: Medicare and the Marketplace.

Ending Marketplace Coverage (Cont.)

- When someone is eligible for premium-free Medicare Part A or is enrolled in Medicare Part A (with or without a premium) or Medicare Advantage, they're no longer eligible for the premium tax credit or other cost savings they may be getting for their Marketplace plan.
- Most consumers qualify for premium-free Medicare Part A at age 65 or older and therefore become ineligible for the premium tax credit and other cost savings through the Marketplace.
- Consumers who don't qualify for premium-free Medicare Part A at age 65 can decide if they want to enroll and pay premiums for Medicare Part A. If they enroll in Medicare Part A and pay a premium, they're no longer eligible for the premium tax credit and other cost savings through the Marketplace. If they choose not to enroll in Medicare Part A with a monthly premium, they can remain eligible for the premium tax credit and other cost savings in the Marketplace.

Why Consumers Should End Their Marketplace Coverage

- To avoid paying double premiums for overlapping coverage (in the Marketplace and Medicare) since Marketplace coverage generally duplicates the coverage a consumer is receiving through Medicare.
- To avoid gaps in coverage.
- To avoid having to pay back all or some of the APTC they may have incorrectly received while eligible for or enrolled in Medicare.
- Consumers can choose to keep full-price Marketplace coverage after Medicare begins. However, dual enrollment isn't recommended, as it can potentially result in Marketplace coverage being terminated at renewal.
  - Insurance companies aren't allowed to knowingly sell a Marketplace plan that duplicates benefits with Medicare to people enrolled in Medicare and may be required to not renew their Marketplace coverage.

Reporting That a Marketplace Enrollee is Starting Medicare (Slide 1 of 5)

- Starting in March 2025, new functionality in the Marketplace eligibility application lets consumers report when they're starting Medicare. When an enrollee starts Medicare, the Marketplace is able to end Marketplace coverage at the appropriate time.
- This new functionality means consumers who enroll in a Marketplace plan with other household members no longer need to contact the Marketplace Call Center to ensure that their Marketplace coverage is ended on the correct day.
- This functionality is available through the Marketplace application on HealthCare.gov and through applications on approved Enhanced Direct Enrollment (EDE) partner sites.

Reporting That a Marketplace Enrollee is Starting Medicare (Slide 2 of 5)

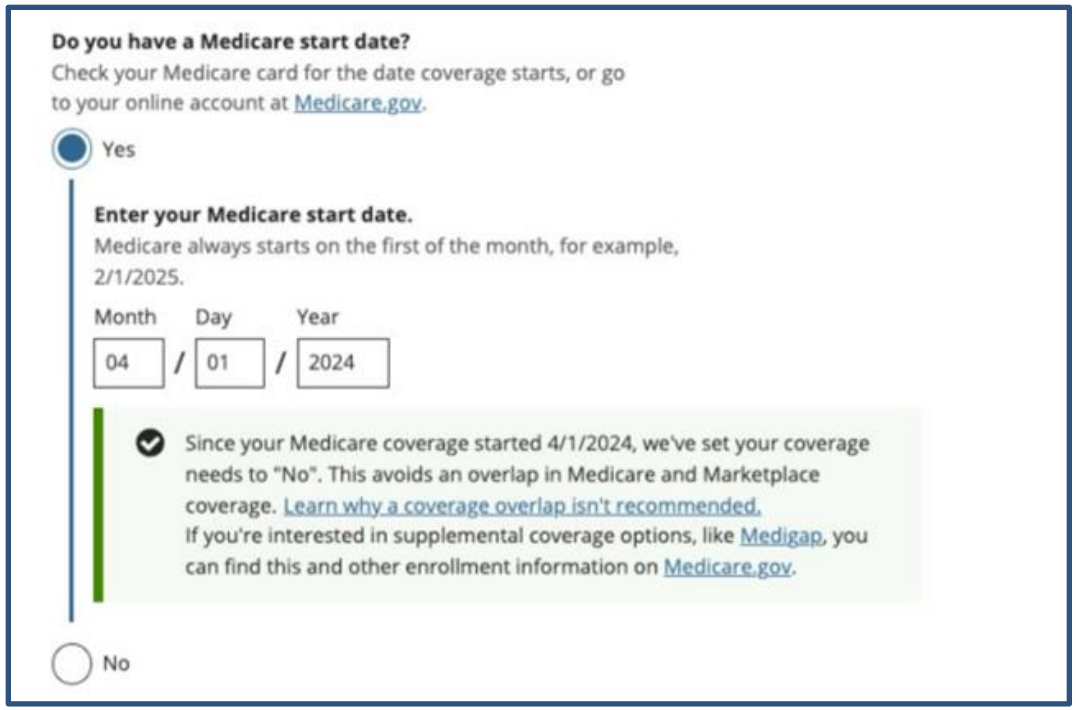
- Consumers seeking Marketplace coverage will be asked if they are starting Medicare. This includes consumers who applied for Marketplace coverage previously and who update their application to report that they no longer need coverage.
- The Marketplace application includes questions about starting Medicare regardless of the applicant's age because people under age 65 can qualify for Medicare on the basis of disability or ESRD.
- Consumers may be asked about their Medicare start date at different points in the application flow depending on:
  - The consumer's age
  - Whether they previously applied for Marketplace coverage
  - If they're applying through HealthCare.gov or an approved EDE partner site

Reporting That a Marketplace Enrollee is Starting Medicare (Slide 3 of 5)

- When the consumer's application indicates that they recently started or will start Medicare, they'll be asked if they have a Medicare start date.
- Consumers who answer "yes" can then enter a Medicare start date in the past or up to three months in the future. Medicare start dates are always on the first of the month.
  - Example: If a consumer updates their Marketplace application on March 20, 2025, they can enter a Medicare start date in the past (e.g., 2/1/2025, 3/1/2025), or up to 3 months in the future (4/1/2025, 5/1/2025, or 6/1/2025).
- Consumers should enter the date their Medicare starts or started based on when they got Medicare Part A (also known as Original Medicare) or Medicare Advantage (also known as Part C).

Reporting That a Marketplace Enrollee is Starting Medicare (Slide 4 of 5)

Consumers who aren't eligible for premium-free Medicare Part A and chose not to enroll in Medicare and want to keep their Marketplace coverage instead, should answer "no" to this question.



Reporting That a Marketplace Enrollee is Starting Medicare (Slide 5 of 5)

- Consumers can make multiple changes to their existing Marketplace application at the same time they report a Marketplace enrollee is starting Medicare.
- Marketplace enrollees in the same household as the person with Medicare who are continuing their coverage may have an updated advance payment of premium tax credit (APTC) amount and premium responsibility.
- If the Marketplace enrollees in the household who are continuing their coverage qualify for a SEP, then they can shop for a new plan that will be effective after the person with Medicare is removed from Marketplace coverage.
- Consumers should note that if the person starting Medicare is currently the subscriber on their Marketplace policy, the Marketplace enrollees in the household who are continuing their coverage may have their accumulators, such as deductibles, reset by their issuer.
- For charts outlining specific scenarios when the individual has already started Medicare or will start in the near future, whether or not there are other family members on the Marketplace application, and how they should report their Medicare start date to the Marketplace, please visit: Assisting Consumers Who Are Starting Medicare.

Applicable Rules

- If a consumer is enrolled in a Marketplace plan first and then becomes eligible for premium-free Medicare Part A or enrolled in premium-free or premium Medicare Part A, they can choose to remain enrolled in their Marketplace plan at least through the end of the plan year.
- But there are important considerations:
  - Once they become eligible for or enrolled in Medicare Part A, they are no longer eligible for APTC or cost-sharing reductions (CSRs) and may have to pay back some or all of the APTC they received during months of overlapping coverage.
  - They'll pay for duplicative coverage.
  - Medicare doesn't coordinate benefits with individual market Marketplace plans.
  - If they choose to terminate their Marketplace plan, they should pay close attention to disenrollment timeframes to avoid a gap in coverage.
- Even if the Marketplace enrollee wants to keep their Marketplace plan, they must update their application to report their Medicare enrollment right away.

Medicare Periodic Data Matching (PDM): Notices to Dually-Enrolled Consumers (Slide 1 of 4)

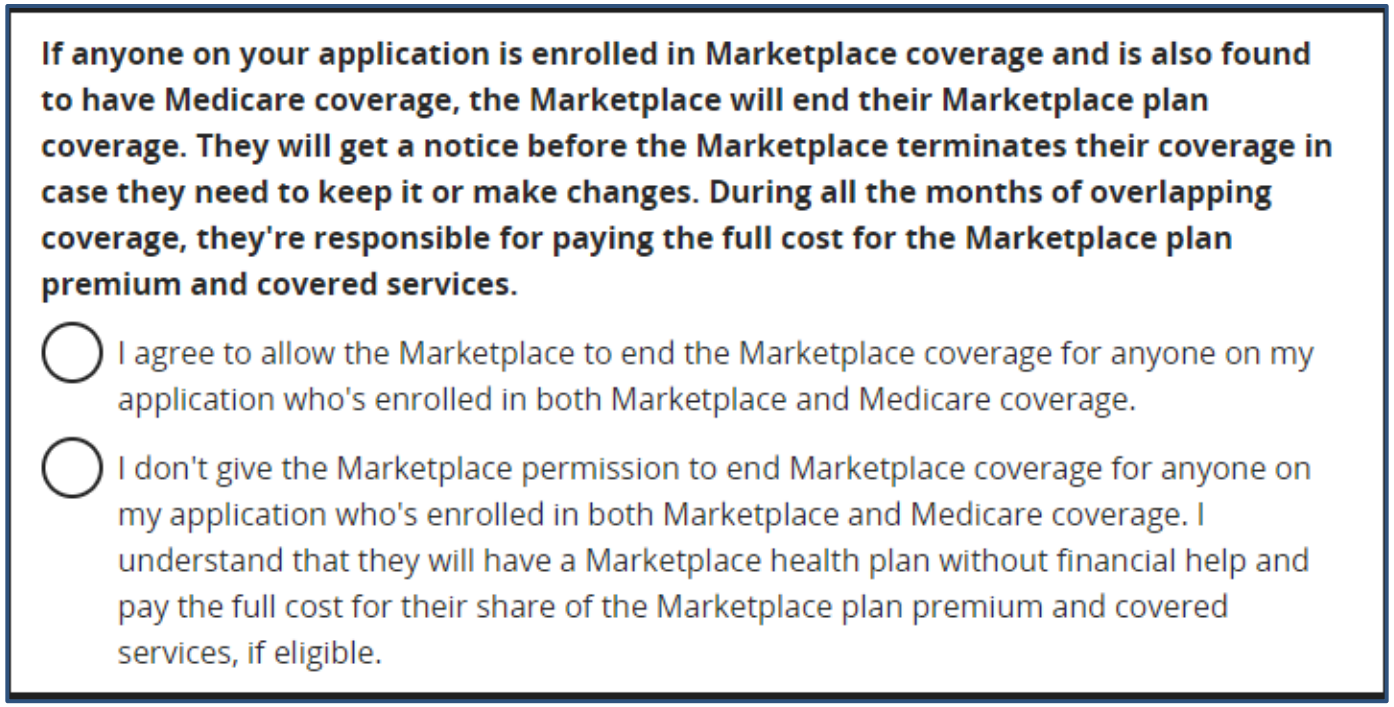
As noted previously, Medicare Parts A and C are considered MEC or QHC. The Marketplace sends Medicare PDM notices to consumers who may be dually enrolled in MEC or QHC Medicare and Marketplace coverage with APTC and/or CSRs. Notices are uploaded to the consumer's My Account or mailed via the U.S. Postal Service, depending on the consumer's stated communication preference.

Medicare PDM Notices include:

- Name(s) of consumer(s) found to be dually-enrolled.
- Consequences of dual-enrollment, including paying for coverage that is duplicative to Medicare and potential for late enrollment penalties for Part B if the consumer doesn't sign up for Medicare Part B when they are eligible to do so.
- Instructions on how to end Marketplace coverage or Marketplace financial assistance.
- Where to find contact information to confirm if they're enrolled or if they have any questions about Medicare.

Medicare Periodic Data Matching (PDM): Notices to Dually-Enrolled Consumers (Slide 2 of 4)

Applicants have the option to provide written consent for the Marketplace to end their Marketplace coverage if they're later found to be enrolled in Medicare through the Medicare PDM process through an attestation question on the Marketplace application.



If anyone on your application is enrolled in Marketplace coverage and is also found to have Medicare coverage, the Marketplace will end their Marketplace plan coverage. They will get a notice before the Marketplace terminates their coverage in case they need to keep it or make changes. During all the months of overlapping coverage, they're responsible for paying the full cost for the Marketplace plan premium and covered services.

- ◯ I agree to allow the Marketplace to end the Marketplace coverage for anyone on my application who's enrolled in both Marketplace and Medicare coverage.
- ◯ I don't give the Marketplace permission to end Marketplace coverage for anyone on my application who's enrolled in both Marketplace and Medicare coverage. I understand that they will have a Marketplace health plan without financial help and pay the full cost for their share of the Marketplace plan premium and covered services, if eligible.

Medicare Periodic Data Matching (PDM): Notices to Dually-Enrolled Consumers (Slide 3 of 4)

If a consumer has both Medicare Part A or Part C and a Marketplace plan with APTC and CSRs, and they receive a Medicare PDM initial warning notice, they have 30 days from receipt of the Medicare PDM initial warning notice to return to the Marketplace to end either APTC and CSRs, or their Marketplace plan, if they so choose.

They'll also have the option to:

- Disagree with the results of the Medicare PDM notice and provide documentation if they think they aren't enrolled in Medicare Part A or Part C; or
- Change their attestation response from agree to disagree if they no longer want the Marketplace to end their coverage, or vice versa.

Medicare Periodic Data Matching (PDM): Notices to Dually-Enrolled Consumers (Slide 4 of 4)

If a consumer doesn't take any action after the 30-day period ends, the Marketplace will either:

- End APTC and CSRs, or
- End Marketplace coverage, if they provided written consent using the attestation noted in the previous slide.

Medicare and Eligibility for APTC

CMS sends a notice to Marketplace enrollees who will turn 65 within the next month to notify them of the important decisions related to Medicare enrollment.

Letters are available in both English and Spanish.

Eligibility for APTC for Consumers with Premium-free Medicare Part A

- The rules on eligibility for Medicare Part A and Part C and APTC differ depending on if the consumer must pay a premium for Medicare Part A and when they sign up.
- For consumers automatically enrolled in Premium-free Medicare Part A:
  - These consumers are generally no longer eligible for financial assistance through the Marketplace the first day of the month they turn 65.
- For consumers who must sign up for Premium-free Medicare Part A:
  - These consumers are no longer eligible for financial assistance through the Marketplace starting the first day of the first full month they can start using their Medicare coverage. If they don't sign up, they become ineligible for financial assistance on a Marketplace plan starting four months after they could have first signed up.

Eligibility for APTC for Consumers with Premium Medicare Part A

- Consumers who are eligible to enroll in Premium Part A remain eligible for financial assistance through the Marketplace, unless and until they sign up for and can start using their Medicare coverage.
- If they sign up for Medicare coverage, they will no longer be eligible for financial assistance through the Marketplace the month their Medicare coverage actually begins.
- These Medicare consumers may face late enrollment penalties or a gap in coverage if they sign up after their IEP ends.

Eligibility for APTC for Consumers with Premium Medicare Part A (Cont.)

- These consumers should compare their benefits and total premiums under Medicare with their Marketplace plan. They should also take into consideration any late enrollment penalties if they choose to delay enrolling in Medicare until after their IEP ends.
- Many individuals may be eligible for assistance with paying premiums for Part A and Part B through MSPs.
- In addition, the MSPs may cover deductibles, coinsurance, and copayments if they meet certain conditions. For more information, visit Medicare Savings Programs.

Medicare and Eligibility for APTC Scenario: Eligible for Premium-free Medicare Part A and Enrolls

Scenario: Paul turns 65 on June 1

- He currently has a Marketplace plan with APTC.
- Paul is eligible for Premium-free Medicare Part A.
- He must actively enroll in Medicare coverage because he is not receiving Social Security or RRB Railroad Retirement Board benefits.
- His IEP began February 1.
- He enrolls mid-July, during his IEP.

Is Paul still eligible for APTC?

Medicare and Eligibility for APTC Scenario: Eligible for Premium-free Medicare Part A and Enrolls: Key Points

- Paul signs up for Medicare Parts A and B in mid-July.
- His Premium-free Medicare Part A coverage would start retroactive to the first day of the month that he turned 65 – June 1.
- Under the CAA rule, which took effect Jan 1, 2023, Paul's Part B coverage will start August 1, the first day of the month after he signs up for Medicare.
- Paul will no longer be eligible for APTC on August 1.

Medicare and Eligibility for APTC Scenario: Eligible for Premium-free Medicare Part A and Doesn't Enroll

Scenario: Sally turns 65 on June 3

- Sally has a Marketplace plan with APTC.
- Sally qualifies for Premium-free Medicare Part A.
- She must actively enroll in Medicare coverage because she is not receiving Social Security or RRB Railroad Retirement Board benefits.
- Her IEP has begun.
- She doesn't want to enroll in Medicare; she wants to keep her Marketplace coverage.

Is Sally still eligible for APTC?

Medicare and Eligibility for APTC Scenario: Eligible for Premium-free Medicare Part A and Does Not Enroll (Cont.)

- Sally chooses not to sign up for Medicare and is not automatically enrolled.
- For purposes of APTC eligibility, Sally will be considered “eligible” for Medicare premium-free Part A benefits on October 1, the first day of the first full month after her IEP ends.
- Sally will lose eligibility for APTC beginning October 1.
- She will need to return to the Marketplace and report she’s now eligible for Medicare premium-free Part A so that she will no longer get APTC. If Sally doesn’t report her eligibility for Medicare premium-free Part A, she may have to pay back any APTCs beginning October 1.
- Sally will pay the full price of her Marketplace plan starting October 1.

Retroactive Medicare Enrollment

- On occasion, consumers will be retroactively enrolled in Medicare, which can create an overlap with Marketplace coverage.
- CMS allows consumers to request to retroactively terminate their Marketplace coverage to eliminate the overlap and receive a refund of premiums paid for the Marketplace plan.
- Consumers must make this request within 60 days of the date they enroll in Medicare.
- Consumers can only request a maximum of six months' retroactive termination (but no earlier than the date their Medicare coverage begins).
- If the consumer had any claims during the retroactive period, these will be reversed by the Marketplace plan. Consumers should work with providers to ensure these claims are billed to Medicare or their Medicare Advantage plan.

SHIP Resources

Assisters should encourage consumers to reach out to their local SHIP counselor for assistance. SHIPs provide free, local, in-depth, and objective insurance counseling and help to Medicare-eligible individuals, their households, and caregivers.

For more information visit the State Health Insurance Assistance Program (SHIP).

Individuals may also call 1-800-MEDICARE. Help from Medicare is available 24 hours a day, 7 days a week, except some federal holidays.

Resources

- Step-by-Step Instructions: How & when to cancel your Marketplace plan and enroll in Medicare
- What does Medicare cost?
- How consumers should sign up for Medicare Parts A & B
- Information on Medicare Savings Programs
- Frequently Asked Questions on the relationship between Medicare and Marketplace coverage

Resources (Cont.)

- Assisting Consumers Who Are Starting Medicare
- Getting the Most for Medicare Beneficiaries
- Medicare.gov: Avoid late enrollment penalties
- Medicare Periodic Data Matching (PDM) Frequently Asked Questions (FAQ):
- Medicare & You Handbook*

*Note: These Medicare cost sharing amounts will be subject to change annually.