



FOR IMMEDIATE RELEASE

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Understanding Medicare Late Enrollment Penalties

Lincoln, NE (February 7, 2020) – Medicare can be confusing. Enrollment mistakes can result in lifetime penalties and delayed benefits. You can avoid penalties by enrolling into Medicare at the right time. Depending on your individual situation, you may want to enroll into Medicare when you are first eligible at age 65, or younger if you are eligible due to disability. You may be able to enroll after 65, if you meet certain conditions that allow you to sign up later.

The Medicare Part B premium is \$144.60 per month, in 2020. This premium goes up by 10% for each 12-month period that you could have had Medicare Part B but did not take it. Medicare prescription coverage can also have a penalty but is applied differently at 1% of the national base premium, for each month without coverage. This year's national base premium is \$32.74.

In order to avoid a Part B late enrollment penalty, you must have insurance provided by active employment, either from your own or your spouse's. You can ask your employer if it is necessary to enroll in Medicare Part B, since some small employers may require it. Even if you have coverage from your employer, you should compare it to Medicare to determine which option will offer the best coverage at the lowest cost. Insurance not related to active employment will not prevent a Part B late enrollment penalty.

Medicare drug coverage is different. Creditable coverage for drug insurance can come from multiple sources, such as your employer insurance, COBRA, VA, TRICARE, or a retiree health benefit. You should keep any letters you receive informing you that your insurance is creditable for Medicare drug coverage and provide copies to your plan if they request it.

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If you have limited income and resources, you could qualify for a Medicare Savings Program, which will help you pay for Part B premiums, or for Extra Help, a program that helps with drug costs. If you have a late enrollment penalty, qualifying for these programs will erase your penalty.

You can get information about these programs and help understanding your Medicare benefits and enrollment from the Nebraska SHIP (State Health Insurance Assistance Program), a division of the Nebraska Department of Insurance. Nebraska SHIP provides unbiased Medicare education and counseling throughout the state. To contact your local office call the SHIP hotline at 1.800.234.7119.

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