

# Understanding Medicare Enrollment Periods

by Katy Votava, Ph.D., RN

**M**edicare has many enrollment periods for the various parts of Medicare. These enrollment periods provide beneficiaries with the chance to get Medicare coverages, yet the different periods and their acronyms are confusing. A beneficiary who does not act carefully

may miss a window of opportunity to have various parts of Medicare coverage and face a waiting period to get coverage, incurring high out-of-pocket costs in the interim as well as paying lifelong penalties. By understanding Medicare enrollment periods, advisers can help their clients avoid these problems.

## Initial Enrollment Period (IEP)

The Medicare Initial Enrollment Period (IEP) is a beneficiary's first opportunity to enroll in Medicare Part A and B. With the exception of those who are medically disabled under the age of 65, the IEP begins three months before the 65th birthday, and concludes at the end of



▶ **Based on September 15<sup>th</sup> being your 65<sup>th</sup> birthday**

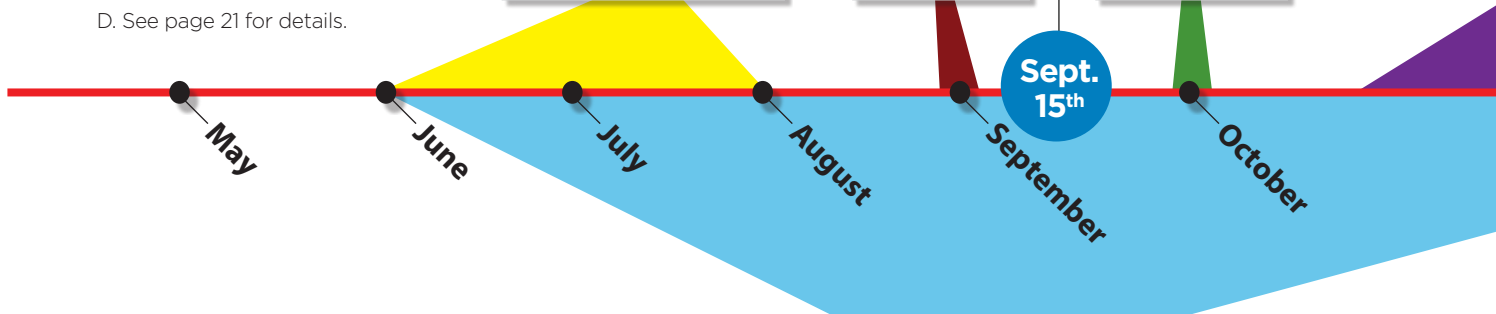
### ▶ The Exception to the Rules

Depending on the employment situation for you or your spouse, you may be able to enroll in Medicare Part A and B *any time* without penalty, as part of a Special Enrollment Period (SEP). Other SEPs exist for Part C and D. See page 21 for details.

▶ For best results, enroll during the three months prior to your 65th birthday, and coverage starts on the first day of your birthday month (Sept. 1 in this example).

▶ If you enroll during your birthday month, coverage starts the next month (Oct. 1).

▶ If you enroll during the month after your birthday month, coverage starts two months later (Dec. 1).



▶ **Initial Enrollment Period (IEP)**  
**When:** Three months before your birthday month, your birthday month, and three months after your birthday month. Enroll during this period for Medicare Part A and B. The sooner you enroll, the sooner your coverage starts.

the third month after the 65th birthday. Most people who are Medicare eligible should enroll for Medicare Part A during their IEP, unless they will be eligible for a Special Enrollment Period (SEP) later. If they do not enroll on time and are not eligible for an SEP, they will face lifelong penalties and a delay in being able to apply to get Medicare coverage.

**Caveat:** If your birthday is on the first of the month, Medicare Parts A and B start the month prior to your birth month.

**Caveat:** If you have Health Savings Account-eligible employer coverage, you should *not* enroll in any parts of Medicare. First, you must verify that your coverage is Medicare “creditable” for Part D.

**Special Enrollment Period (SEP)**

After the Initial Enrollment Period ends, a beneficiary may have the chance to

“For best results, enroll during the three months prior to your 65th birthday, and coverage starts on the first day of your birthday month.”

sign up for Medicare Parts A and B during a Special Enrollment Period (SEP). If the individual had been covered under a group health plan based on current employment, he or she has a SEP to sign up for Part A and/or Part B *any time*, as long as the individual or his or her spouse is working *and* is covered by a group health plan through the employer or union based on that work.

**Caveat:** The employer or union plan

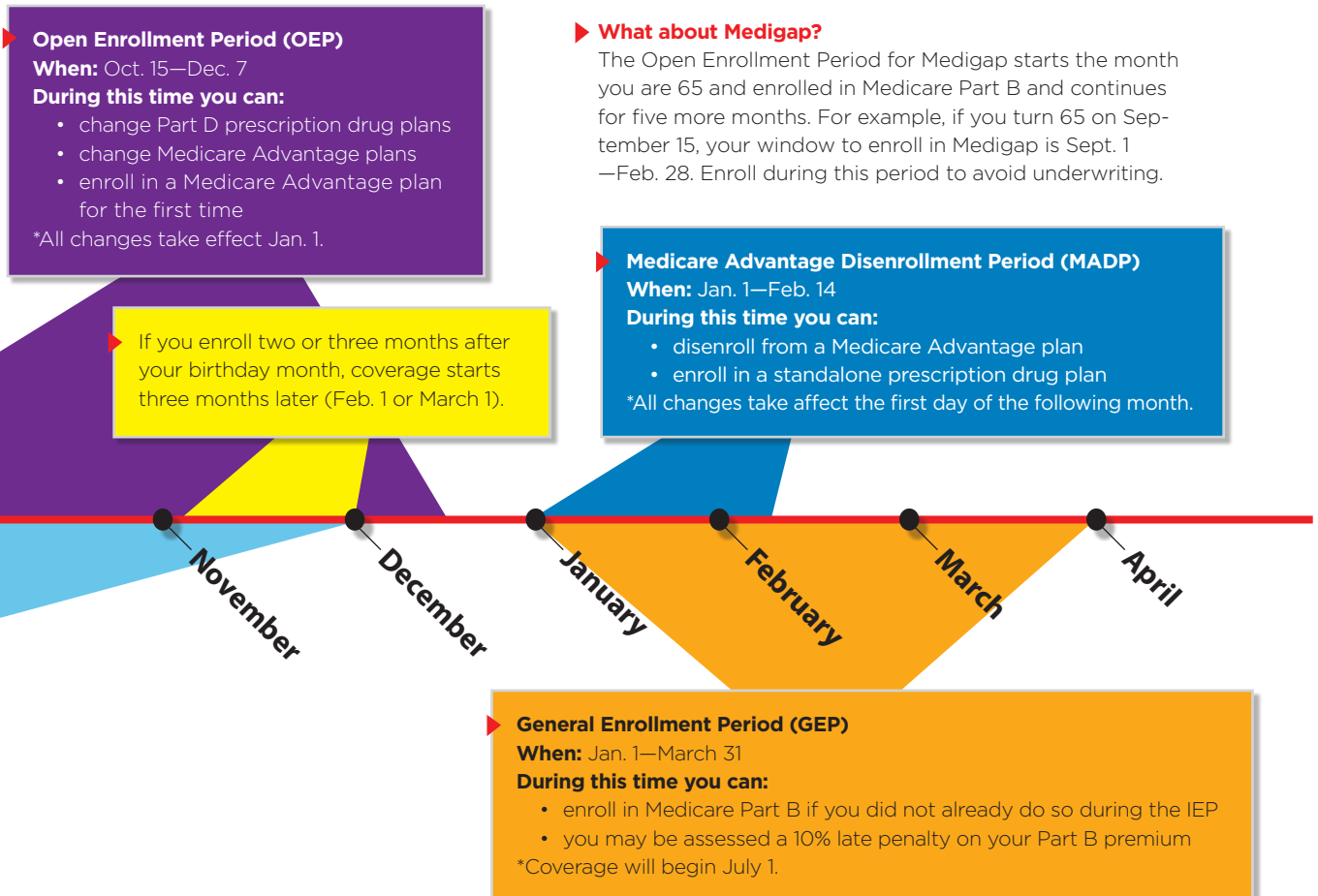
needs to cover a group with 20 or more members. If the group is smaller than 20 members, the individual must enroll in Medicare during their IEP. If they do not, they will only have secondary coverage through their employer plan, and if they wait beyond their IEP, they will not be eligible for a SEP.

There is an eight-month SEP to sign up for Part A and/or Part B that starts the month after the employment coverage ends. Usually, there is not a late enrollment penalty if an individual signs up during a SEP.

A number of other SEPs exist for Medicare Part C Advantage and Part D enrollment and disenrollment for:

- someone who moves out of a Medicare Part C Advantage Plan or Part D service area has a SEP to enroll

*(Continued on page 22)*



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in a plan that serves the geographic area of their new home

- beneficiaries who move permanently into, reside in, or move out of a nursing home may also have a SEP
- individuals who are eligible for Medicare and Medicaid have a SEP that allows them to change Part D drug plans at any time

### General Enrollment Period (GEP)

Medicare beneficiaries who did not enroll in Parts A and B when they first became eligible for Medicare may elect Part A and B coverage during the General Enrollment Period (GEP) from January 1 through March 31 each year. Coverage becomes effective on July 1 of the same year.

Beneficiaries who delay enrollment in Parts A and B and are not eligible for a SEP will be assessed a late enrollment penalty on their Part B premium. The penalty is 10 percent per year for each full year of delayed enrollment for as long as the beneficiary remains uncovered under Part B.

A person who enrolls in Part B during the GEP also has a SEP for Part D or Medicare Part C Advantage, including drug coverage beginning in April and ending in June of that year. If the person has not had Medicare “creditable” drug coverage in the interim, that person will pay a late enrollment penalty for Part D. The late enrollment penalty is 1 percent per month for every month without Part D coverage. That coverage begins July 1 of the same year.

### Open Enrollment Period (OEP)

The Open Enrollment Period runs from October 15 through December 7 each year. Many people refer to this as Medicare’s “annual enrollment” period. During this time, beneficiaries may change Part D prescription drug plans, Medicare Advantage plans, or enroll in

a Medicare Advantage plan for the first time. Enrollment changes take effect on January 1 of the following year.

### Medicare Advantage Disenrollment Period (MADP)

The Medicare Advantage Disenrollment Period (MADP) provides Medicare beneficiaries an opportunity to disenroll from a Medicare Advantage plan. The MADP extends from January 1 through February 14 each year. The change will take effect the first of the following month. That same beneficiary can enroll in a standalone Prescription Drug Plan (PDP) for Part D coverage during the MADP. The person may want to enroll in a Medigap plan as well.

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### Medigap Open Enrollment Period

The Open Enrollment Period for Medigap is a six-month period that automatically starts the month a person turns age 65 and enrolls in Medicare Part B. During this six-month period, the beneficiary can buy any Medigap policy sold in their state without being subject to underwriting. If a person decides to enroll in a Medigap plan after this six-month period, they may be subject to underwriting. ■

*Katy Votava, Ph.D., RN, is a nurse practitioner, health care economist, and president and founder of [www.GoodCare.com](http://www.GoodCare.com), an online resource of free tools and provider of webinars and consulting services for financial advisers and small businesses to help them work through the maze of health care plans.*