

Medicare Minute Teaching Materials — February 2025

Premium-related Appeals and Troubleshooting

1. What is a Part B late enrollment penalty (LEP)?

For each 12-month period you delay enrollment in Medicare Part B, you will have to pay a 10% Part B premium penalty, unless you have insurance based on your or your spouse's current work (job-based insurance), are eligible for a Medicare Savings Program (MSP) (see question 11), or qualify for a Special Enrollment Period (SEP) because of exceptional circumstances (see question 12).

In most cases, you will have to pay that penalty every month for as long as you have Medicare. If you are enrolled in Medicare because of a disability and currently pay premium penalties, once you turn 65 you will no longer have to pay the premium penalty.

2. How do you calculate your Part B premium penalty?

Let's say you delayed enrolling in Medicare Part B for seven years (and you did not have employer insurance, which allows you to delay enrollment). Your monthly premium would be 70% higher for as long as you have Medicare (7 years x 10%). Since the base Part B premium in 2025 is \$185, your monthly premium with the penalty will be \$314.50 ($\185×1.7).

Note: Although your Part B premium amount is based on your income (see question 7), your penalty is calculated based on the base Part B premium. The penalty is then added to your actual premium amount.

3. How can I appeal a Part B LEP?

Everyone has a right to file an appeal with the Social Security Administration (SSA) regarding their LEP determination. To appeal, follow the directions on the letter informing you about the penalty. If you do not have this letter, you can use [SSA's request for reconsideration form](#).

You can appeal to remove the penalty if you think you were continuously covered by Part B or job-based insurance. You can also appeal to lower the penalty amount if you think it was calculated incorrectly.

Unfortunately, being unaware of the requirement to enroll in Part B is unlikely to be a successful argument for an appeal. However, the following are reasons to appeal that may result in the elimination or reduction of your penalty:

- You had job-based insurance during some or all of the time period in question
 - Call your former employer or plan and ask for a letter proving that you were enrolled in coverage. Make sure to attach this letter to your appeal form. Other forms of evidence include income tax returns that show health insurance premiums paid, W-2s reflecting pre-tax medical contributions, pay stubs that reflect health insurance premium deductions, health insurance cards with policy effective date, explanation of benefits paid by health plan, and statements or receipts that reflect payment of health insurance premiums.
- You were actually enrolled in Medicare Part B during some or all of the period in question
 - If the penalty is being assessed in error because you were actually enrolled in Part B, you can include proof of that coverage, including Medicare Summary Notices (MSNs) showing payment for care, statements showing premiums paid, or other records.

- You have a new Initial Enrollment Period (IEP).
- You are enrolled in an MSP.

The appeal deadline is 60 days from the date you received the letter informing you about the penalty. If you miss this deadline, you can write a letter explaining why you had good cause, or a good reason—like serious illness—that prevented you from appealing on time. Attach this letter to your appeal.

Be sure to pay the LEP while SSA reviews your appeal. If your appeal is successful, you will be refunded for LEP payments you made while your appeal was being reviewed.

4. What is a Part D LEP?

For each month you delay enrollment in Medicare Part D, you will have to pay a 1% Part D late enrollment penalty (LEP), unless you:

- Have creditable drug coverage
- Qualify for the Extra Help program
- Prove that you received inadequate information about whether your drug coverage was creditable

In most cases, you will have to pay that penalty every month for as long as you have Medicare. If you are enrolled in Medicare because of a disability and currently pay a premium penalty, once you turn 65 you will no longer have to pay the penalty.

5. How do you calculate the Part D LEP?

Let's say you delayed enrollment in Part D for seven months (and you do not meet any of the exceptions listed above in question 4). Your monthly premium would be 7% higher for as long as you have Part D (7 months x 1%). The national base beneficiary premium in 2025 is \$36.78 a month. Your monthly premium penalty would therefore be \$2.57 ($\$36.78 \times 0.07 = \2.57) per month, which you would pay in addition to your plan's premium.

Note: The Part D penalty is always calculated using the national base beneficiary premium. Your penalty will not decrease if you enroll in a Part D plan with a lower premium.

6. How can I appeal a Part D LEP?

Everyone has the right to file an appeal with C2C Innovative Solutions regarding their LEP determination. C2C Solutions is the company contracted by Medicare to handle these appeals.

In most cases, you have to pay the LEP as long as you are enrolled in the Medicare prescription drug benefit. There are some exceptions:

- If you receive Extra Help, your penalty will be permanently erased
- If you are under 65 and have Medicare, your LEP will end when you turn 65
- If you qualify for a state pharmaceutical assistance program (SPAP), it may pay your penalty for you

You can appeal the penalty (if you think you were continuously covered) or its amount (if you think it was calculated incorrectly). You should complete the appeal form you received from your plan, attach any evidence you have, and mail everything to [C2C Innovative Solutions](#). If you don't have an appeal form from your plan, you can also use this [Part D LEP Reconsideration Request Form](#).

Unfortunately, being unaware of the requirement to have prescription drug coverage is unlikely to be a successful basis for your appeal. However, the following are good reasons to appeal and may result in the elimination or reduction of your penalty:

- You have Extra Help
- You had creditable drug coverage during some or all of the time period in question
 - Call your former plan and ask for a letter proving that you were enrolled in creditable drug coverage. Make sure to attach this letter to your appeal form. Your employer or union may also be able to confirm the fact that you had creditable drug coverage.
- You had non-creditable drug coverage, but your or your spouse’s employer or insurer told you it was creditable or didn’t inform you that it was non-creditable
- You were ineligible for a Medicare prescription drug plan (e.g., if you were living outside the U.S. or incarcerated)
- You couldn’t enroll into creditable drug coverage because of a serious medical emergency

The appeal deadline is 60 days from the date you received the letter informing you about the penalty. If you miss this deadline, you can write a letter explaining why you had good cause, or a good reason—like serious illness—that prevented you from appealing on time. Attach this letter to your appeal. Once your appeal is submitted, you can expect a determination from C2C Innovative Solutions within 90 days. In the meantime, pay the LEP to your plan along with your premium. If your appeal is successful, your plan has to pay you back for the LEP payments you made while your appeal was pending.

7. What is an Income Related Monthly Adjustment Amount (IRMAA)?

The Medicare Income-Related Monthly Adjustment Amount (IRMAA) is an amount you may pay in addition to your Part B or Part D premium if your income is above a certain level. The Social Security Administration (SSA) sets four income brackets that determine your (or you and your spouse’s) IRMAA. SSA determines if you owe an IRMAA based on the income you reported on your IRS tax return two years prior, meaning two years before the year that you start paying IRMAA. The income that counts is the adjusted gross income you reported plus other forms of tax-exempt income. If you are expected to pay IRMAA, SSA will notify you that you have a higher Part B and/or Part D premium.

Your Part B premium will change based on income as follows:		
Your annual income		Your monthly premium in 2025
Individuals	Couples	
Equal to or below \$106,000	Equal to or below \$212,000	\$185
\$106,001-\$133,000	\$212,001-\$266,000	\$259
\$133,001-\$167,000	\$266,001-\$334,000	\$370
\$167,001-\$200,000	\$334,001-\$400,000	\$480.90
\$200,001-\$499,999	\$400,001-\$749,999	\$591.90
\$500,000 and above	\$750,000 and above	\$628.90

Your additional Part D premium is a percentage of the national base beneficiary premium \$36.78 in 2025. Part D IRMAA is always calculated using the national base beneficiary premium. Your IRMAA will not decrease if you enroll in a Part D plan with a lower premium.

For 2025, your additional Part D premium based on income is as follows:

Your annual income		What you pay in addition to your regular Part D premium
Individuals	Couples	
Equal to or below \$106,000	Equal to or below \$212,000	\$0
\$106,001-\$133,000	\$212,001-\$266,000	\$12.90
\$133,001-\$167,000	\$266,001-\$334,000	\$33.30
\$167,001-\$200,000	\$334,001-\$400,000	\$53.80
\$200,001-\$499,999	\$400,001-\$749,999	\$74.20
\$500,000 and above	\$750,000 and above	\$81.00

8. How can I request a new IRMAA determination?

If Social Security determines that you should pay an IRMAA, they will mail you a notice called an initial determination. This notice should include information on how to request a new initial determination. A new initial determination is a revised decision that Social Security makes regarding your IRMAA. You can request that Social Security revisit its decision if you have experienced a life-changing event that caused an income decrease, or if you think the income information Social Security used to determine your IRMAA was incorrect or outdated.

Social Security considers any of the following situations to be life-changing events:

- The death of a spouse
- Marriage
- Divorce or annulment
- You or your spouse stopping work or reducing the number of hours you work
- Involuntary loss of income-producing property due to a natural disaster, disease, fraud, or other circumstances
- Loss of pension
- Receipt of settlement payment from a current or former employer due to the employer’s closure or bankruptcy

You can make the case that Social Security used outdated or incorrect information when calculating your IRMAA if, for example, you:

- Filed an amended tax return with the IRS
- Have a more recent tax return that shows you are receiving a lower income than previously reported

To request a new initial determination, submit a [Medicare IRMAA Life-Changing Event](#) form or schedule an appointment with Social Security. You will need to provide documentation of either your correct income or of the life-changing event that caused your income to decrease.

9. How can I appeal my IRMAA decision?

If you do not qualify to request a new initial determination, but you still disagree with Social Security’s IRMAA decision, you have the right to appeal. Appealing an IRMAA decision is also referred to as requesting a reconsideration. Keep in mind that there are no strict timeframes in which Social Security must respond to a reconsideration request. If you have questions about your appeal status, contact the agency currently reviewing your appeal.

1. Complete a request to SSA for reconsideration. Contact SSA to learn how to file this request.
2. If your reconsideration is successful, your premium amounts will be corrected. If your reconsideration is denied, you can appeal to the Office of Medicare Hearings and Appeals (OMHA) level within 60 days of the date on the reconsideration denial. Follow the directions on the denial to file an appeal at the OMHA level. If you decide to appeal at the OMHA level, you may wish to contact a legal services organization or lawyer to help you with this or any further levels of appeal, but this is not required.
 - a. You must submit any new evidence within 10 days of filing your OMHA level appeal. Contact OMHA for further instructions on submitting. You can ask OMHA for an extension if you are unable to submit new evidence within 10 days.
3. If your OMHA level appeal is successful, your premium amount will be corrected. If your appeal is denied, you can choose to appeal to the Council within 60 days of the date on the OMHA level denial.
4. If your Council appeal is successful, your Part B premium amount will be corrected. If the Council denies your appeal, you can choose to appeal to the Federal District Court within 60 days of the date on the Council denial.

10. What is equitable relief?

Equitable relief is a process that allows you to request the following from the Social Security Administration (SSA):

- Immediate or retroactive Medicare enrollment
- Elimination of the Medicare Part B late enrollment penalty (LEP)

To request equitable relief, you must have failed to enroll in Medicare due to the error, misrepresentation, or inaction of a federal employee, such as a Social Security or 1-800-MEDICARE representative. Equitable relief does not apply if you were misinformed about your Medicare rights and options by non-federal employees, such as an employer.

For example, let's say you did not enroll in Part B because a Social Security representative said you did not need to sign up. Because you failed to enroll due to an error caused by misinformation from a federal employee, you may have grounds for receiving equitable relief.

To request equitable relief, you or your representative should write a letter to your local Social Security office explaining that you received misinformation that caused you to delay enrollment. You can find the address of your local office by calling 800-772-1213 or visiting www.ssa.gov/locator.

Be as specific as possible in your letter and include the name of the representative you spoke to, date and time of the conversation, outcome of the conversation, and any additional notes.

You should also indicate whether you want coverage going forward, retroactive coverage, and/or elimination of your Part B LEP. Keep in mind that if you request retroactive coverage, you will have to pay premiums back to the time your coverage begins.

Social Security is not required to respond to equitable relief requests within any set timeframe. They also do not have to send you a formal decision letter in response to your request.

Follow up with your local Social Security office around one month after submitting your request. You may also want to contact a legislative representative, such as a member of Congress, and ask them to follow up on the case. If you are denied equitable relief, there is no formal appeal process, but you can resubmit your request with more or different information as many times as you wish.

11. How can I use the Medicare Savings Program to eliminate my Part B LEP?

Medicare Savings Programs (MSPs) help pay your Medicare costs if you have limited income and savings. Additional benefits of enrolling in an MSP include:

- Allowing you to enroll in Medicare Part B outside of the usual enrollment periods
- Eliminating your Part B late enrollment penalty, if you have one

MSPs have income and asset limits, which vary by state. Contact your local Medicaid office or your local State Health Insurance Assistance Program (SHIP) for more information about MSPs in your state and for help applying. Contact information for your local SHIP is on the last page of this document. If you enroll in the MSP, your Part B LEP will be eliminated. You will not have an LEP even if you later lose MSP eligibility.

12. What exceptional circumstances may help me qualify for a Part B Special Enrollment Period?

It is usually best to enroll in Medicare when you are first eligible or after losing insurance based on current work. If you miss a first-time enrollment period, there are certain times when you might qualify for an exceptional circumstances Special Enrollment Period. An exceptional circumstance is a situation that is unusual or not typical. The following are different times when you may qualify for an SEP to enroll in Medicare Part B (and premium Part A) without penalty:

- You were impacted by an emergency or disaster
- You got certain types of misinformation from your employer
- You were released from incarceration
- Your Medicaid coverage is ending
- You experience other exceptional circumstances

These SEPs apply to anyone who missed initial enrollment after January 1, 2023. To use these SEPs submit form [CMS-10797](#) to the Social Security Administration. [Learn more about these exceptional circumstances SEPs here.](#)

13. How can I use Extra Help to eliminate my Part D LEP?

Extra Help is a federal program that helps pay for some to most of the out-of-pocket costs of Medicare prescription drug coverage. It is also known as the Part D Low-Income Subsidy (LIS).

The Extra Help program offers the following benefits:

- Pays for your Part D premium up to a state-specific benchmark amount.
- Lowers the cost of your prescription drugs
- Gives you a Special Enrollment Period (SEP) once per month to enroll in a stand-alone Part D plan or to switch between stand-alone Part D plans.
- Eliminates any Part D late enrollment penalty you might have.
 - You will not have a Part D LEP even if you later lose Extra Help eligibility.

If your monthly income and assets are within specified limits, you may be eligible for Extra Help. Even if your income or assets are above the eligibility limits, you could still qualify for Extra Help because certain types of income and assets may not be counted. To apply for Extra Help, call the Social Security Administration at 800-772-1213 or visit www.ssa.gov.

If you are enrolled in Medicaid, Supplemental Security Income (SSI), or a Medicare Savings Program, you automatically qualify for Extra Help regardless of whether you meet Extra Help's eligibility requirements. You should receive a purple-colored notice from the Centers for Medicare & Medicaid Services (CMS) informing you that you do not need to apply for Extra Help.

14. What should I do if I experience a billing error with my doctor?

Health care providers and their billing departments sometimes make billing errors. These billing errors can be honest mistakes. If you think your doctor or their billing department made an error or mistake, contact them directly first to resolve the issue.

You can spot these errors by keeping a calendar of your medical appointments and services, or by calling your local Senior Medicare Patrol (SMP) to request a [My Health Care Tracker](#). You can then compare your appointments, services, and notes to your Medicare statements. If you have Original Medicare, you should receive Medicare Summary Notices (MSNs). If you have a Medicare Advantage Plan and/or Part D plan, you should receive an Explanation of Benefits (EOB). If something does not seem right, remember to first call your provider. For example, you may see on your statement that your provider billed Medicare for an office visit on a day when you did not see them. Or, you may see that your provider billed you for a service that was different than what you actually received. If your doctor or billing department made a billing error, they should correct it.

A pattern of errors made by a doctor or other health care provider, if not corrected, could be considered a red flag for potential fraud or abuse. If you cannot resolve the issue with your provider, contact your local Senior Medicare Patrol (SMP). They can assist you in trying to resolve the error. The role of the SMP also is to help you identify Medicare fraud, errors, or abuse, and help you report potential fraud and abuse to CMS and the correct authorities. Contact information for your SMP is on the final page of this document.

15. Who should I contact to learn more about premium-related appeals and troubleshooting?

Social Security Administration (SSA): Contact SSA if you have questions about your premiums—including late enrollment penalties or IRMAAs. You can also apply for Extra Help or equitable relief through SSA. You can contact SSA calling 1-800-772-1213 or visiting your local branch.

State Health Insurance Assistance Program (SHIP): SHIP counselors are trained and trusted to provide unbiased Medicare counseling. They can provide you with individual counseling to support you in your specific situation. Contact information for your local SHIP is on the final page of this document.

Senior Medicare Patrol (SMP): Contact your SMP if you believe you have experienced potential Medicare fraud, errors, or abuse. Contact information for your SMP is on the final page of this document.

Local Medicaid office: If you have limited income and assets, you may be eligible for premium assistance through a Medicare Savings Program (MSP) or Medicaid. Contact your local Medicaid office to learn about eligibility guidelines and coverage in your state.

SHIP case study

Ava retired from her job and took Medicare Parts A and B one year ago. She delayed enrolling in Part D because she had drug coverage through her old job's retiree coverage. She recently decided to enroll in Part D, though, and when she did, got a notice saying she will have a 12% Part D premium penalty. She doesn't think this is fair.

What should Ava do?

- Ava can call her State Health Insurance Assistance Program (SHIP) for help.
 - If Ava doesn't know how to contact her SHIP, she can call 877-839-2675 or visit www.shiphelp.org.
- The SHIP counselor will let Ava know that she has the right to appeal her Part D LEP.
 - If Ava's retiree drug coverage through her former employer was creditable and she did not have a gap in coverage of more than 63 days, she should appeal for her Part D LEP to be eliminated.
 - If Ava's retiree coverage was not creditable, but her employer led her to believe that it was, she may also be able to appeal for her penalty to be reduced or eliminated.
 - The SHIP counselor can tell Ava to reach out to her former insurer or employer for proof that she was enrolled in this plan and that it was creditable.
- The SHIP counselor can help Ava find the instructions for filing an appeal with C2C Innovative Solutions on the notice that informed her of her Part D LEP.
 - She should fill out [this form](#) and submit it, along with evidence of her creditable drug coverage if she has it, to C2C Innovative Solutions.
- The SHIP counselor will let Ava know that she should pay her Part D premium with the penalty for the time that she is waiting for a response from C2C Innovative Solutions. If her appeal is successful, her plan should reimburse her for any penalty amount that she paid during this time.

SMP case study

Joseph got an Explanation of Benefits (EOB) showing that a doctor submitted several claims to Medicare for services he received the previous month. He is confused because he only saw the provider once, but his EOB lists three different dates of service. He is concerned that this is incorrect information or an error, and that it might affect his plan covering services that he needs in the future.

What should Joseph do?

- Joseph can call his Senior Medicare Patrol (SMP) for advice about what to do next.
 - If Joseph doesn't know how to reach his SMP, he can call 877-808-2468 or visit www.smpresource.org.
- The SMP will tell Joseph that he should contact his provider first to let them know about the potential mistakes or errors that he found on his EOB and to ask them to clarify the services he received and/or correct it and any errors that were made.
- If Joseph's provider is unresponsive or unwilling to correct the errors, Joseph should report this as potential Medicare fraud or abuse. The SMP can assist Joseph to try to resolve the error and help him report it to CMS and the proper authorities.

- The SMP can remind Joseph to continue keeping track of his health care appointments and checking his Medicare statements and medical bills against an appointment calendar or his [My Health Care Tracker](#). If Joseph suspects fraud, errors, or abuse on the part of his providers, he can call the SMP again.

Local SHIP Contact Information	Local SMP Contact Information
<p>SHIP toll-free: 800-247-4422 SHIP email: idahoshiba@doi.idaho.gov SHIP website: shiba.idaho.gov</p> <p>To find a SHIP in another state: Call 877-839-2675 and say “Medicare” when prompted or visit www.shiphelp.org.</p>	<p>SMP toll-free: 800-247-4422 SMP email: idahoshiba@doi.idaho.gov SMP website: https://aging.idaho.gov/stay-safe/senior-medicare-patrol-fraud-prevention</p> <p>To find an SMP in another state: Call 877-808-2468 or visit www.smpresource.org.</p>
<p><i>This document is supported by the Administration for Community Living (ACL), U.S. Department of Health and Human Services (HHS) as part of a financial assistance award totaling \$2,534,081 with 100 percent funding by ACL/HHS. The contents are those of the author(s) and do not necessarily represent the official views of, nor an endorsement, by ACL/HHS, or the U.S. Government.</i></p>	
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