

Part D - IRMMA

Part D-IRMAA stands for the Income Related Monthly Adjustment Amount for Part D and this is mandated by the Affordable Care Act to help fund the Medicare Part D Trust Fund. It started on January 1, 2011. Now Part D-IRMAA is a set amount paid to the government in addition to and separate from the plan premium. As a reminder, this is not paid to the plan. The Part D-IRMAA is required to be paid by those who have Part D coverage and higher income.

Q. Who has to pay Part D-IRMAA and how much it is?

A. In order to be subject to Part D-IRMAA an individual must have Part D coverage. There are members of employer groups, that don't know they have Medicare Part D coverage. Plans should send a notice to the employers they contract with, to help educate those plan members that they have to pay the Part D-IRMAA, and that they have Part D coverage. In 2011 and 2012 they will pay:

If you filed an individual tax return and your income in 2010 was:	If you were married but filed a separate tax return and your income in 2010 was:	If you filed a joint tax return and your income in 2010 was:	This is the monthly cost of your extra Part D amount (to be paid in addition to your plan premium) in 2011	This is the monthly cost of your extra Part D amount (to be paid in addition to your plan premium) in 2012
Equal to or less than \$85,000	Equal to or less than \$85,000	Equal to or less than \$170,000	\$0	\$0
Greater than \$85,000 and less than or equal to \$107,000		Greater than \$170,000 and less than or equal to \$214,000	\$12.00	\$11.60
Greater than \$107,000 and less than or equal to \$160,000		Greater than \$214,000 and less than or equal to \$320,000	\$31.10	\$29.90
Greater than \$160,000 and less than or equal to \$214,000	Greater than \$85,000 and less than or equal to \$129,000	Greater than \$320,000 and less than or equal to \$428,000	\$50.10	\$48.10
Greater than \$214,000	Greater than \$129,000	Greater than \$428,000	\$69.10	\$66.40

Q. What are the types of coverage that Medicare beneficiaries may have that are not subject to Part D-IRMAA?

A. Enrollment in a retiree employer union plan that provides coverage using the Retiree Drug Subsidy (RDS), non-Medicare prescription drug coverage known as Creditable Coverage or if the individual isn't enrolled in Medicare Part D coverage at all.

Q. Will the Part D-IRMAA premium amounts change each year?

A. Yes, they change because the Part D-IRMAA premium amounts are based on the national base beneficiary premium which changes every year. The calculation of how much the D-IRMAA amount is for each tier will also change every year.

Q. How are members notified that they have a Part D-IRMAA?

A. Part D-IRMAA is determined each year by the Social Security Administration using the Modified Adjusted Gross Income as reported on, generally, two-year old tax data from the IRS. If an individual is assessed a Part D-IRMAA, SSA notifies the person around the end of November. Individuals who are newly enrolled in Part D will be notified soon after their enrollment takes effect. For example, if you have someone who does not have Part D coverage and during the annual election period they decide to join a plan and they have Part D coverage effective January 1, SSA will send the notice that they have to pay the Part D-IRMAA after their enrollment into the Part D plan. Generally, for individuals who already have Part D coverage, they will receive an annual notice provided their income level stays high enough and that notice will be sent around the end of November. This notice, sent by SSA, includes information on how to appeal the Part D-IRMAA assessment by requesting reconsideration if that individual believes they are assessed an incorrect amount. These notices also provide information about requesting a new decision when individuals have a life-changing event such as marriage, divorce, if they become widowed, or they stop working.

Q. Where can the member find the appeal information?

A. All of these requests are handled by Social Security. They are not handled by CMS so information and the appropriate forms for completion are on Social Security's website.

Q. How do members pay their Part D-IRMAA amounts?

A. The majority of people have their Part D-IRMAA withheld from their Social Security benefits. Some people don't receive Social Security benefits or their benefit amount isn't enough to cover the Part D-IRMAA amount, so these individuals are directly billed by CMS.

Individuals who receive Railroad Retirement Board benefits are direct-billed the Part D-IRMAA by the Railroad Retirement Board. Part D-IRMAA is billed monthly. So this is different than Part B premiums which are typically direct-billed quarterly.

Q. What happens if members don't pay their Part D-IRMAA?

A. Individuals in direct-bill status who have failed to pay their Part D-IRMAA owed amounts in full at the end of three months will be disenrolled by CMS. In April when CMS developed their regulations, CMS 4144-F, they established an initial grace period prior to involuntary disenrollment of failure to pay Part D-IRMAA. That initial grace period is three months in length. So, at the end of the three months, if they haven't paid in full, the individual will be involuntarily disenrolled.

Q. What will happen when they are involuntarily disenrolled?

A. They are going to be disenrolled from their Part D coverage regardless of how they get it. If they are in a stand-alone PDP, they'll be disenrolled from the stand-alone PDP and just have Original Medicare. If they are in

a Medicare Advantage Plan with Prescription Drug coverage, they are going to be disenrolled from the entire Medicare Advantage Plan with Prescription Drug coverage and they will only have Original Medicare. This includes employer plan coverage utilizing a Medicare Part D plan; they will be disenrolled from their employer coverage for failure to pay the Part D-IRMAA.

Q. When can a member re-enroll back into a Part D plan?

A. They will be able to enroll at their next valid election period. That can be the annual election period, it can be a special election period, it's whenever that individual has another valid election period to enroll they can pick up Part D again. However, if the individual goes sixty three days or more without Part D coverage or other creditable coverage, they will be assessed a Part D late enrollment penalty. If the individual does not have creditable coverage for sixty three days or more, they will be assessed a late enrollment penalty upon re-enrollment into a Part D plan. CMS does not stop their re-enrollment so failure to pay does not preclude re-enrollment, and they are going to be billed the Part D-IRMAA once they re-enroll in a new plan. They will still have to pay their past due amounts.

Q. When will CMS begin disenrolling members for non-payment of Part D-IRMAA premiums?

A. The effective date for the disenrollments will be first of the month following the disenrollment notification by CMS to the plan on the TRR. CMS will begin disenrolling individuals for failure to pay Part D-IRMAA for an April 1st effective date. So plans are going to be receiving the TRRs anywhere between the end of February and through the month of March but the disenrollment date will be 3-31 for an effective disenrollment date of April 1st.

Q. How is CMS going to notify these members prior to disenrollment?

A. The first notification will be a Mymedicare.gov outgoing message that will likely be released within the next couple of weeks. This message is just for individuals who are in delinquent status. They will be receiving a message from CMS provided they have a Mymedicare.gov account and it will tell them that they need to pay the Part D-IRMAA amount in full or they are going to be disenrolled. They will be getting another bill soon and they will be encouraged to make prompt payment of the full amount. CMS describes what Part D-IRMAA is for those members who didn't understand what the Part D-IRMAA was when they got their notification from Social Security Administration and it does provide points of contact for their questions. All of the notices direct the individual to both 1-800-MEDICARE and Social Security for redeterminations and understanding what their direct bill is about.

In addition, CMS will send out three mailers to individuals who continue to remain in delinquent status for the months of December, January and February. Individuals who have not paid and are in delinquent status as of November 27th will be receiving a notice that indicates they will be disenrolled effective April 1st if they don't pay the entire Part D-IRMAA balance due. This notice encourages them to make prompt payments utilizing the current bill they have or the next bill they'll receive. CMS will be releasing those notices in December, January and February. Obviously, the idea is to get people to come current and pay as quickly as possible.

Q. Why am I receiving a bill from the Centers for Medicare & Medicaid Services (CMS) for my Part D-IRMAA, rather than Social Security withholding the amount from my check?

A. By law, income-related monthly adjustment amount (IRMAA) for prescription drug coverage must be withheld from Social Security, Railroad Retirement Board, or Office of Personnel Management benefit checks unless the monthly payment isn't enough to cover the entire amount owed. If your check isn't enough to cover the entire amount, you will get a bill from Medicare. For more information about the Part D-IRMAA withholdings from your benefit check, visit www.socialsecurity.gov/mediinfo.htm, call 1-800-772-1213, or visit your local Social Security office. TTY users should call 1-800-325-0778. For more information about the bill

you received from Medicare, visit Centers for Medicare and Medicaid Services resources are available at www.medicare.gov or by calling **1-800-MEDICARE (1-800-633-4227; TTY 1-877-486-2048)**.

Note: If you get railroad retirement benefits, you will initially get bills from the Railroad Retirement Board (RRB) for this amount each month. The RRB will send you these bills until it has a system in place to withhold this amount from your monthly benefit check.

Q. Can I pay my Medicare prescription drug plan premium and my Part D-IRMAA premium together?

A. No. By law, the income-related monthly adjustment amount (IRMAA) for Medicare prescription drug coverage is deducted from your Social Security, Railroad Retirement Board, or Office of Personnel Management benefits if your monthly payment can cover this amount. If not, you will get a bill from Medicare. Your drug plan is responsible for billing and collecting the non-IRMAA part of your plan premium. Since these two amounts are billed and collected by two separate entities, you will get two separate bills and need to pay each of them separately.

Note: If you get railroad retirement benefits, you will get bills from the Railroad Retirement Board (RRB) for this amount each month. The RRB will send you these bills until it has a system in place to withhold this amount from your monthly benefit check.

Q. How can I get more information about the Part D-IRMAA?

A:

- Visit www.medicare.gov or call 1-800-MEDICARE (1-800-633-4227). TTY users should call 1-877-486-2048.
- Visit www.socialsecurity.gov/mediinfo.htm, call 1-800-772-1213, or visit your local Social Security office. TTY users should call 1-800-325-0778.

Q. If an individual is disenrolled for failure to pay Part D-IRMAA premiums can they re-enroll into Part D?

A. If an individual is disenrolled for failure to pay Part D-IRMAA, they can re-enroll in another Part D plan upon a new valid election period; however, they still have to pay the Part D-IRMAA amounts they owe.

Q. Can employers or other third parties pay the Part D-IRMAA for an individual?

A. The answer to this is no. The law states that the beneficiary assessed the Part D-IRMAA is responsible for the payment. Individuals in employer or union-sponsored plans that pay for all member premiums can submit their Part D-IRMAA payments for reimbursement if they choose. The best way to look at this is, if the union or employer group didn't pay, the beneficiary would be adversely affected. At the end of the day the government is holding the beneficiary responsible for making the timely payments, not any other third party.

Q. How can the disenrolled individual get their coverage back?

A. They have the right to have CMS reconsider the disenrollment if they can show "good cause" (a good reason) for not paying the Part D-IRMAA, (for example, they were unable to pay the amounts they owe due to unexpected, prolonged illness or hospitalization, sent to an acute living facility for post-hospitalization care for another month, natural disaster, death, serious illness of the spouse, loss of home, severe impact by fire or other exceptional circumstances out of the individual's control. Lack of funds, on vacation, didn't receive the notice, moved or reasons that are within the individual's control would not result in a favorable determination.) **and** pay all of the Part D-IRMAA to CMS and any plan premiums that you currently owe within 3 months of the disenrollment.

Q. Who should the individual call to request a “good cause” determination?

A. Individuals should call 1-800-MEDICARE (1-800-633-4227) as soon as possible but no later than 60 calendar days after the disenrollment date which will always be the first of the disenrollment month.

Q. What happens after the individual calls to request a good cause determination?

A. A CMS caseworker will call the individual and make favorable or non-favorable determination. If the determination is favorable, CMS will contact the plan. The plan must send notice of payment owed within three business days of notification. CMS will send the notice of Part D-IRMAA amounts owed to the individual. Both the plan notice and the CMS notice will indicate the payment due date.

Q. What is the timeframe for the good cause determination process?

A. The entire timeframe for the good cause determination process is three full calendar months from the effective date of disenrollment and the effective date of disenrollment is always going to be the first of the month. The first sixty calendar days of this three month timeframe is the time in which the individual must request a reinstatement for good cause. The first of the month is day one -- the effective date of disenrollment -- and count sixty days out and that will be the end date for an individual to request a good cause reinstatement from CMS.

Q. Once the individual has requested a “good cause” reinstatement from CMS, what else must the individual do within the three full calendar month timeframe?

A. CMS established a new policy in April 2011 and this policy provides individuals the opportunity to request reinstatement for good cause when they are disenrolled for failure to pay either plan premiums or the Part D-IRMAA. Generally, a good cause reinstatement requires a few different things. One, a favorable good cause determination; two, payment of all owed amounts -- the past due plan premiums and Part D-IRMAA premiums and premium amounts that accrued for the three months during the request of the reinstatement; and three, payment has to be received within three calendar months of the disenrollment effective date. They have to pay the premiums for the months that occurred during the request for reinstatement so that, when the individual is reinstated, that individual will be current on their premium balance.

Q. Will CMS or the plan allow payment plans for premiums?

A. No, all premiums must be current within the three calendar month timeframe for CMS to reinstate the member.

Q. If the individual is reinstated for good cause what will be the effective date of the reinstatement?

A. The individual will be reinstated back to the disenrollment date and the coverage will be continuous.

In addition to 2013 Medicare benefits changes that have already taken effect, the income guidelines for Part D Income-Related Monthly Adjustment Amount (also known as "Part D IRMAA") have also been released and are in effect as well. This is of particular interest to you if you are a Medicare beneficiary with high income. Specifically, if you have a high income you will be responsible for paying a Part D IRMAA in addition to your Prescription Drug Plan premium.

What is Part D IRMAA?

Your monthly premium for Medicare Prescription Drug Plan (also known as "PDP" or "Part D") could be higher based on your income. This includes the Part D coverage you get from a "stand alone" Medicare Prescription Drug Plan, a Medicare Advantage plan with a "built-in" Prescription Drug Plan (also known as "MAPD"), or a Medicare Cost Plan that includes Medicare Prescription Drug Plan, even if this Part D coverage is through your employer. This extra amount is called the Income-Related Monthly Adjustment Amount, or Part D IRMAA. You will have to pay this extra amount, or the Part D IRMAA, in addition to your monthly Part D premium. If your Prescription Drug Plan is a part of a Medicare Advantage plan the portion of premium that is for your Prescription Drug Plan is separated from the part of the premium that is for your medical coverage. This information can be found in your Summary of Benefits for your specific plan.

Who will have to pay the Part D IRMAA?

This change affects fewer than 5% of all Medicare beneficiaries. This means that most people will continue to pay only the Part D premium their plan charges in 2013. The Social Security Administration will use your reported IRS income to determine if you have to pay a Part D IRMAA and, if so, how much the Part D IRMAA will be each month. Social Security will send you a letter if you have to pay an extra amount in addition to your monthly Part D plan premium. The specific amounts the Medicare beneficiary will have to pay has been released and is based on your 2011 income tax filing.

The amount of your Part D IRMAA is based on your 2011 income tax return and the filing status. The following income guidelines and filing status of individual or married filing separate income tax returns outlines your Part D IRMAA in 2013:

Beneficiaries who file individual tax returns with income that is:	Beneficiaries who file joint tax returns with income that is:	Medicare Part D Income Related Monthly Adjustment Amount		
		2013	2012	2011
Less than or equal to	Less than or equal to	\$0.00	\$0.00	\$0.00

\$85,000	\$170,000			
Greater than \$85,000 and less than or equal to \$107,000	Greater than \$170,000 and less than or equal to \$214,000	\$11.60	\$11.60	\$12.00
Greater than \$107,000 and less than or equal to \$160,000	Greater than \$214,000 and less than or equal to \$320,000	\$29.90	\$29.90	\$31.10
Greater than \$160,000 and less than or equal to \$214,000	Greater than \$320,000 and less than or equal to \$428,000	\$48.30	\$48.10	\$50.10
Greater than \$214,000	Greater than \$428,000	\$66.60	\$66.40	\$69.10

Beneficiaries who are married but file separate tax returns with income that is:	Medicare Part D Income Related Monthly Adjustment Amount		
	2013	2012	2011
Less than or equal to \$85,000	\$0.00	\$0.00	\$0.00
Greater than \$85,000 and less than or equal to \$129,000	\$48.30	\$48.10	\$50.00
Greater than \$129,000	\$66.60	\$66.40	\$69.10

Please note:

- The additional monthly Part D income-related adjustment amount is not collected by the Medicare Part D plans, but instead paid directly to the Federal government.
- The amount of your IRMAA will be directly deducted from your Social Security, Railroad Retirement Board, or Office of Personnel Management benefits.
- If there are not sufficient funds in your government benefits, then Medicare will bill you directly.
- Medicare Part D beneficiaries affected by the 2013 IRMAA will receive a letter from the Social Security Administration notifying them of their Medicare Part D plan premium increase.

If I Have a Part D IRMAA, How Do I Pay It?

If you are responsible for paying a Part D IRMAA then the amount of your Part D IRMAA will be deducted from your monthly Social Security, Railroad Retirement, or Office of Personnel

Management check, no matter how you usually pay your Prescription Drug Plan premium. If you do not receive any of these benefits or the extra amount is more than the amount of your check, you will receive a bill from Medicare or the Railroad Retirement Board (if you are a Railroad retiree) each month. These bills were sent out in December, 2012. If you did not receive a bill in December, 2012, and your 2011 income is within the amounts set forth above, you may receive your bill after January. If you receive your bill after January you will have to pay the extra amount for the months that you were not billed for the Part D IRMAA, or in other words, you will pay for more than one month at a time.

Do Not Pay Your Part D IRMAA to Your Medicare Insurance or Prescription Drug Plan Provider.

It is important to remember that if you get a bill for Part D IRMAA you do not pay this amount to your Part D plan carrier or insurance company. The Part D IRMAA is to be paid to Medicare or the Railroad Retirement Board. The letter you receive from Social Security will advise you that your Medicare Prescription Drug Plan premium will change based upon the amount of your Part D IRMAA. You must pay the Part D IRMAA in order to keep your Medicare Part D coverage.

What If I Disagree With the Part D IRMAA Calculations?

If you disagree with the Social Security Administration's decision regarding your Part D IRMAA the letter you receive from Social Security tells you what you can do. For more information you will need to contact the Social Security Administration at 1-800-772-1213.

