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**Effective Dates: 03/27/2007 - Present (Go to [History](#))**

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**TN 29 (03-07)**

# **HI 01001.010 Premium Increase for Late Enrollment**

## **Citations:**

Section 1839(b) of the Social Security Act.

## **A. Policy**

### **1. Basic Principle**

The Supplementary Medical Insurance (SMI) premium is increased 10 percent for each full 12 months during which an individual could have been, but was not, enrolled in SMI.

### **2. Premium Increase (Also Known as Premium Surcharge)**

The increased premium is always the premium payable increased by the applicable percentage for late enrollment. When the premium rate rises, the surcharge percentage remains the same, but the amount of the surcharge increases in proportion to the amount of the rise in the premium.

### **3. Premium Rollback**

- a. If a premium surcharge was in effect prior to attainment of age 65, the premium is rolled back to the standard (unincreased) premium effective with the month of attainment of age 65.
- b. Months prior to age 65 are never counted in the calculation of a premium increase for late enrollment or reenrollment after age 65.
- c. Prior to age 65, the months of non-enrollment are ignored in each separate period of Part A entitlement based on disability or end stage renal disease in the calculation of the surcharge for any later period of entitlement based on disability or end stage renal disease.

### **4. Rounding**

All premium amounts that are not an exact multiple of 10 cents are rounded to the

nearest dime (5 cents-9 cents are rounded to the next higher dime).

## B. Procedure

Treat countable and excludable months as shown below.

### 1. Count These Months

- a. For an individual who is enrolling for the first time: Count all the months elapsing after the end of the initial enrollment period (IEP), through the end of the enrollment period during which enrollment occurred.
- b. For an individual who is reenrolling after termination of one or more periods of SMI coverage:

Add to the total in HI 01001.010B.1.a. the months elapsing after the last day of each prior coverage period up to and including the last month of each enrollment period during which reenrollment took place.

**EXCEPTION:** Where the first enrollment or reenrollment occurred from 4/1/81 through 9/30/81, count the months after the end of the initial enrollment period (or last month of prior SMI entitlement) through the month of enrollment.

**NOTE:** Under no circumstances will months in an IEP be counted in calculating the premium surcharge.

### 2. Exclude These Months

From the total months in HI 01001.010B.1., exclude:

- a. The months 6/66 through 9/66, if enrollment occurred during those months by an individual whose IEP ended prior to 6/66.
- b. The months 1/68 through 3/68, if enrollment occurred in the period 10/1/67 through 4/1/68.
- c. In "deemed IEP" cases (see HI 00805.150), exclude the months after the actual IEP through the end of the deemed IEP.
- d. All months prior to the beginning of individual entitlement for those who have left the State buy-in rolls. Individuals who leave the State buy-in rolls for SMI are always treated, for premium surcharge purposes, as if they had enrolled in their IEP and maintained that enrollment.

**NOTE:** States never pay a premium increase for late enrollment in SMI under State buy-in.

- e. All months during which an individual was barred from enrollment prior to 1/73. This applies to those enrolling for the first time after 1972 whose IEP ended in or before 1969, and those whose previous period of coverage ended in or before 1969. (The law in effect prior to the 1972 amendments prevented an individual

from enrolling for the first time in SMI after the IEP unless he/she did so in a general enrollment period (GEP) that began no later than 3 years after the close of the IEP. Also, an individual whose SMI coverage ended could not reenroll unless he/she did so in a GEP that began no later than 3 years after the last day of SMI coverage.)

- f. Months prior to 1/78 for those who were entitled to CHAMPUS (now TRICARE, see [HI 00805.325](#)) in 1977 and:
  - o became entitled to Part A as a disability or end stage renal disease beneficiary, or
  - o became entitled to Part A as a husband or widower when the Supreme Court declared the one-half support requirement for such benefits unconstitutional in 3/77. (See [HI 00805.720](#).)
- g. Months prior to 7/78 for those who were entitled to CHAMPVA benefits, and met either of the requirements in [HI 01001.010B.2.f](#). (See [HI 00805.725](#).)
- h. Months prior to the first month after the end of the IEP established for end stage renal disease beneficiaries who had refused SMI when they became entitled to Part A under the provisions that apply to the aged or the disabled and later developed end stage renal disease. (See [HI 00801.258C](#).)
- i. Months elapsing after the end of the second enrollment in SMI and prior to 4/81 for anyone who enrolled again in or after 4/81 and had 2 enrollments (not counting State buy-in enrollments) in SMI prior to 1981.
- j. Months beginning with 1/83 during which the individual, age 65 or over, was covered under an employer group health plan through his/her own, or a spouse's, current employment status. (See [HI 00805.740](#).)
- k. Months beginning 1/87 through 7/93 during which a disability beneficiary was covered as an active individual in a large group health plan. (See [HI 00805.752A](#), for an explanation of "active individual".)
- l. Months effective 1/87 during which a disability beneficiary was covered under his/her own, or a spouse's, group health plan based on current employment status. (Effective for premiums due for 7/90 on.) (See [HI 00805.280](#).)
- m. Months effective 8/93 during which a disability beneficiary was covered under a large group health plan based on his/her own or a family member's current employment status. (See [HI00805.280](#).)
- n. For premiums due 1/2007 and later, exclude all months the individual was serving as a volunteer outside of the United States for a tax exempt organization and had health insurance that provided coverage while he/she was outside of the United States. (See [HI 00805.365](#).)

## C. References

Information on enrollment periods, [HI 00805.010](#) - [HI 00805.030](#), [HI 00805.265](#), [HI 00805.310](#), and [HI 00805.350](#).

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## Section History

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### Prior Versions of Section

Effective Date	Title
09/17/2001 - 03/26/2007	<u><a href="#">Premium Increase for Late Enrollment</a></u>
03/15/1999 - 09/16/2001	<u><a href="#">Premium Increase for Late Enrollment</a></u>

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Link to this section:

<http://policynet.ba.ssa.gov/poms.nsf/lrx/0601001010>

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