

Medicare Part B Special Enrollment Period



**Dan
Toth**

The Postal Service Reform Act of 2022 did several things. One important component was the integration of Medicare with the Federal Employees Health Benefits (FEHB) Program. This integration is what created the Postal Service Health Benefits (PSHB) Program, a subset of FEHB. Because of this transition into PSHB, eligible annuitants have an opportunity to enroll in Medicare Part B through a Special Enrollment Period (SEP) without being subject to any late enrollment penalties.

The SEP is available only to Postal Service annuitants and their covered family members who are entitled to Medicare Part A but not currently enrolled in Part B. Eligible retirees should have received a mailing from the USPS along with enrollment instructions. The SEP is currently open and will end on Sep. 30, 2024.

Medicare Part B helps cover medical services, such as doctors' visits, ambulance services, durable medical equipment, and mental health care, to name a few. The advantage of enrolling in Part B along with PSHB is coordination of benefits. When you have more than one insurance plan covering the same benefits, one plan normally pays its benefits in full as the primary, and the other plan pays a reduced benefit as the secondary payor. For annuitants, Medicare is the primary payer. This coordination may result in your PSHB plan waiving its copayments, coinsurance and deductibles for Part B services. Some services might not be covered, or only partially covered by your PSHB, but still covered by Part B.

Typically, one needs to enroll in Part B at age 65 during a seven-month Initial Enrollment Period, or after age 65 if still employed and covered by an employer group health plan. Those who choose not to enroll in Part B during their Initial Enrollment Period generally forgo Part B for the rest of their lives. This is because Part B has a late-enrollment penalty. The late-enrollment penalty is an additional 10 percent premium for each year you could have signed up but did not. That means if someone waited five years until they enrolled in Part B, the late penalty would be an extra 50 percent. It doesn't take long for this penalty to make the premium unaffordable for most (or simply a bad deal).

Fortunately, this SEP allows enrollment in Part B without being subject to the late enrollment penalty. For those affected annuitants, this can be a tremendous opportunity.

To enroll in Part B through the SEP, annuitants should complete the special form included in the letter mailed to eligible annuitants from the USPS. After the form is completed, it should be mailed in the pre-addressed envelope also provided. Be mindful that envelopes postmarked after Sep. 30 will not be accepted. If you are eligible for the SEP and did not receive the mailing or have questions, call the PSHB Navigator Help Line at 833-712-7742. Questions about enrollment should be directed to SSA at 800-772-1213 (TTY 800-325-0778).

If you enroll during the SEP but decide you made a mistake, you can request a cancellation from the SSA prior to the effective date of Jan. 1, 2025. If you request to terminate Part B after Jan. 1, 2025, you will no longer be eligible for the PSHB program unless a Part B exception applies.

If an eligible annuitant does not enroll during the SEP, they may enroll during the General Enrollment Period from Jan. 1 through March 31 of each year, or during another applicable enrollment period. However, they might have to pay the late-enrollment penalty.

Of course, the downside to Part B is that it isn't free. The standard premium for 2024 is \$174.40 per month, and the premium can change each year. Changes in the premium are mainly due to projected increases in health care spending.

Deciding whether to enroll in Part B is a personal choice. Each person will need to review their health plan and see how it interacts with Part B. Some plans, such as the NALC Health Benefit Plan (HBP), provide multiple options to enhance the integration of Medicare. In particular, the NALC High Option Plan—Aetna Medicare Advantage offers extra value with \$0 deductibles, prescription drug copays as low as \$0, and a \$75 monthly Medicare Part B premium reduction. Another High Option Plan choice is the SilverScript Prescription Drug Plan, which combines Medicare Part D prescription drug coverage. If you are enrolled in SilverScript and Medicare, you may be eligible to receive up to \$600 of Part B premium reimbursement per enrollee. These options put money back in your pocket.

To learn more, head to the NALC HBP website at nalchbp.org and look for the 2025 plans and benefits when that information becomes available.

Eligible annuitants should carefully consider this one-time opportunity to enroll in Part B without being subject to the late-enrollment penalty.