

Legal Basics: Medicare Parts A, B, and C Eligibility and Enrollment

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Justice in Aging

Justice in Aging is a national organization that uses the power of law to fight senior poverty by securing access to affordable health care, economic security, and the courts for older adults with limited resources. Since 1972, we have focused our efforts on older adults who have been marginalized and excluded from justice, such as people of color, women, LGBTQ+ individuals, disabled individuals, immigrants, and those who have limited English proficiency.

Key Lessons

1. Medicare is a federal health insurance program and is the primary source of coverage for adults age 65 and over.
2. Medicare has four parts, A, B, C, & D, which provide coverage for hospital care, outpatient services, and prescription drugs.
3. Eligibility is based on age, disability, and work history. Generally, individuals with a qualifying work history and who are 65 and older, or who have been receiving Social Security disability for two years, will be eligible for premium-free Part A, though exceptions do apply. Medicare Part B requires a premium payment.
4. There are programs to help low-income enrollees with Medicare costs, called Medicare Savings Programs (MSPs) and the Low-Income Subsidy (LIS). These programs help with Part A premiums (Qualified Medicare Beneficiary, known as QMB); Part B premiums (QMB, Specified Low-Income Medicare Beneficiary, known as SLMB, and Qualified Individual, known as QI); Medicare cost-sharing (QMB); and Part D prescription medication costs (LIS, also known as “Extra Help”).
5. Potential Medicare enrollees should pay attention to enrollment timelines to avoid penalties for late enrollment.

Medicare is a Federal Health Insurance Program

Medicare is a federal health insurance program that is a primary source of coverage for adults 65 and over as well as certain individuals with disabilities. With 65 million enrollees, Medicare is a key part of the health care system.

Eligibility is generally based on a person’s age or disability status. A person’s work history, or the work history of their spouse, factors into eligibility as well. Some individuals may qualify for Medicare without the requisite work history; if they are low income, they may get premium assistance, and if not, they may pay privately. A person must be either a U.S. citizen or lawfully present in the United States to qualify for Medicare.

Medicare does not cover all medical needs, and most enrollees have additional insurance (Medicaid, a private supplement, etc.).

Medicare Has Four Parts

There are four “Parts” to Medicare: A, B, C, & D. Part A and Part B are referred to as “Medicare fee-for-service,” or “Original Medicare.” Part C is a private version of Medicare called “Medicare Advantage plans.” Part D is prescription drug coverage. Part D will only be covered briefly in this Issue Brief.

Medicare Part A

Medicare Part A is commonly known as “hospital insurance.” Under certain conditions, Medicare Part A pays for a stay in a hospital or nursing facility, or pays for certain expenses of home health care. In addition, Medicare Part A pays for certain expenses of hospice care provided to a terminally ill person.¹

Medicare Part B

Medicare Part B is commonly known as “medical insurance.” Medicare Part B pays for certain expenses of physician services, therapies, tests, x-rays, medically necessary transportation, and medical equipment. Under some circumstances, Medicare Part B will pay for particular services provided in a nursing facility or for home health care.²

Medicare Part C

Medicare Part C is Medicare Advantage, an alternative to Medicare fee-for-service. With Medicare Part C, Medicare pays a private plan to manage an enrollee’s health care under Parts A and B. Medicare Part C plans can also include Part D coverage and supplemental benefits not covered under Part A or Part B. Medicare Part C coverage can include health maintenance organizations (HMOs); preferred provider organizations (PPOs); private fee-for-service plans (PFFs); special needs plans (SNPs); and medical savings accounts (MSAs).³

Medicare Part D

Medicare Part D is the Medicare Prescription Drug program which began in 2006. Each year, prescription drug plans participating in the program are announced for the following year. The benefit is offered either through a stand-alone prescription drug plan or as part of the benefit package of a Medicare Advantage plan.

Medicare and Other Coverage

Medicare does not cover all medical needs, and most beneficiaries have additional insurance. They may have coverage through employer-sponsored insurance, retiree coverage (including military retiree coverage), or Medicaid. Medicare enrollees can also pay for standardized “Medigap” plan that provide extra insurance coverage for Part A and Part B covered services.

Medicare Eligibility is Based on Age, Disability Status, and Work History

Most individuals qualify for Medicare coverage based on work history. Some individuals may get coverage without this work history, as described below.

Premium-Free Part A

In general, Medicare Part A is premium-free for most individuals. Eligibility for premium-free Part A is based on the work history of an individual or that of a spouse. In the most common type of eligibility, the potential enrollee is at least 65 years old, and either the individual or their spouse has a work history that creates an entitlement to Social Security retirement benefits (usually 40 quarters, or the equivalent of 10 years of work history).⁴

Premium-free Part A is also available to persons who have been qualified to receive Social Security disability benefits or railroad retirement disability benefits for at least 24 months.⁵ For people with end-stage renal disease (kidney failure) or amyotrophic lateral sclerosis (known as ALS or “Lou Gehrig’s Disease”)⁶, the 24-month waiting period is waived.⁷

Part A Eligibility with a Premium

If, due to an insufficient work history, an individual is not eligible for premium-free Part A coverage, that person may nonetheless purchase Part A coverage and pay a monthly premium.

To purchase Part A coverage, the individual must be:

1. At least 65 years old;
2. Either a U.S. citizen or a permanent resident who has lived continuously in the United States for the previous five years; and
3. Enrolled in Medicare Part B (by paying a further premium).⁸

The 2023 premium for Medicare Part A is either \$278 or \$506 monthly, depending on work history.⁹ Low-income individuals may be eligible for premium assistance and will not have to pay these premiums (See Section 4).

Note: An individual in a same-sex marriage can qualify for Medicare Part A coverage based on a spouse’s work history.¹⁰

Part A Deductible and Coinsurance

Under Part A, an individual is responsible for a hospital inpatient deductible and co-insurance. For 2023, the deductible is \$1,600 and the co-insurance is \$0 for days 1-60 in the hospital, \$400 per day for days 61-90, and \$800 for days 91 and beyond.¹¹ Low-income individuals may be eligible for cost-sharing assistance and will not have to pay these amounts (See Section 4).

Part B Eligibility and Premium

Medicare Part B coverage is available to anyone who is eligible for premium-free Part A benefits. Individuals who do not qualify for premium-free Part A can enroll in Part B if they are at least 65 years old and either (1) a U.S. citizen; or (2) a lawful permanent resident who has resided in the United States for the five years prior to enrollment for Part B.¹²

In 2023, Medicare Part B has a monthly premium of \$164.90 that most enrollees must pay. For low-income individuals enrolled in Medicare Savings Programs, the Medicaid agency pays the monthly premium on their behalf. (See Section 4).

Enrollees with high annual incomes (in 2023, in excess of \$97,000 for an individual and \$194,000 for a married couple filing a joint tax return), the Part B premium will be higher.¹³ For enrollees with delayed enrollment in Part B, late enrollment penalties may apply (see Section 5).

The Part B premium is deducted from an individual’s Social Security, Railroad Retirement or Civil Service retirement or disability payment. If an individual does not receive any of these retirement benefits, Medicare will bill for the Part B premium every three months.

People who do not qualify for premium-free Part A can purchase Part B coverage without enrolling in Part A. This may result in higher Part A premiums in the future, in the form of late enrollment penalties (See Section 5).

Part B Deductible

An individual is responsible for a yearly deductible of \$226 in 2023.¹⁴ Low-income individuals may be eligible for cost sharing assistance and will not have to pay the deductible (See Section 4).

Part B Coinsurance and Co-Payments

Medicare Part B payments can be made either to the enrollee or the health care provider (physician, hospital, etc.). In general, if a provider accepts the Medicare approved amount as payment in full, Medicare will pay 80% of the cost to the provider, and the enrollee is responsible for the other 20%.¹⁵ Low-income individuals may be eligible for cost-sharing assistance and do not have to pay the 20% or co-payments (See Section 4).

If the provider does not limit the costs of the services to the Medicare approved amount, Medicare will pay the claim to the enrollee and the enrollee will be responsible for the full payment to the provider, unless a limiting charge applies. Limiting charges apply only to certain Medicare-covered services, including physician and therapist services, but do not apply to some supplies and durable medical equipment. Some states have additional limitations on when providers can charge above the Medicare approved amount.

There Are Programs to Help Low-Income Enrollees with Medicare Costs

Many low-income Medicare enrollees also qualify for programs that make Medicare more affordable. This assistance can be an essential piece in a low-income Medicare enrollee's health coverage. In 2019, half of Medicare enrollees had incomes below \$30,000, and a quarter had resources under \$17,000. Incomes are even lower for Black and Hispanic enrollees.¹⁶ Recent research has tied Medicare cost assistance with positive effects – including improved access to prescribed medication and reduced time entering into cancer treatment.¹⁷

Safety net programs like Medicaid health coverage plug coverage gaps to make the Medicare benefit more affordable and offer benefits not covered by Medicare, like long-term services and supports.

A set of Medicaid programs called Medicare Savings Programs (MSP) also help low-income Medicare enrollees pay for Medicare costs. They are called QMB, SLMB, or QI.¹⁸ MSPs do not provide health coverage and only provide financial assistance for Medicare costs. State Medicaid offices are responsible for determining eligibility for Medicaid, including MSPs.

The Low-Income Subsidy (also called LIS or “Extra Help”) can assist low-income Medicare enrollees pay for prescription costs. The Social Security Administration is responsible for processing eligibility for LIS.¹⁹ Medicaid enrollees, including those in MSPs, are automatically enrolled in LIS.²⁰ LIS will not be reviewed in detail in this issue brief.

Qualified Medicare Beneficiary (QMB)

The QMB program is the most comprehensive MSP and will pay the Medicare Part A premium (if not free already), the Medicare Part B premium, and Medicare cost-sharing (deductibles and co-payments). **Providers may not bill any QMB enrollee for Medicare co-pays or coinsurance amounts.**²¹

QMBs have the lowest income limit of the MSPs. The minimum income limit a state can set for QMB is 100% of the federal poverty level, which in 2023 is \$1,215 per month for a single person and \$1,643 per month for a married couple.²² Some states have higher income limits, and almost all states have income disregards for QMB.²³ The minimum asset limit a state can set in 2023 is \$9,090 for a single person and \$13,630 for a married couple. Many states have higher asset limits or no asset limit for QMB, and asset disregards may apply.²⁴ These figures change early each calendar year when the annual income poverty guidelines are issued.

Specified Low-Income Beneficiary (SLMB)

The SLMB program pays for Medicare Part B premiums only.²⁵ The minimum income limit a state can set for SLMB is 120% of federal poverty level, or \$1,458 for an individual in 2023, \$1,972 for a married couple. Some states have higher income limits, and almost all states have income disregards for SLMB.²⁶ These figures change each calendar year when the annual income poverty guidelines are issued. The minimum asset limit a state can set in 2023 is \$9,090 for a single person and \$13,630 for a married couple. Many states have higher asset limits or no asset limit for SLMB, and asset disregards may apply.²⁷

Qualified Individual (QI)

The QI program pays for Medicare Part B premiums only.²⁸ The minimum income limit a state can set for QI is 135% of federal poverty level, or \$1,640 for an individual and \$2,219 for a couple in 2023. Some states have higher income limits for QI, and almost all states have income disregards.²⁹ These figures change each calendar year when the annual income poverty guidelines are issued. The minimum resource limit a state can set in 2023 is \$9,090 for a single person and \$13,630 for a married couple. Many states have higher asset limits or no asset limit for QI, and asset disregards may apply.³⁰

Pay Attention to Enrollment Timelines to Avoid Penalties

Part A Enrollment

When a person can enroll in Part A is based on a number of factors, including whether a person is eligible for Premium-free Part A.

Part A Initial Enrollment Period

Enrollment is automatic for individuals who at age 65 have started receiving benefits from either Social Security or the Railroad Retirement Board. For people who became disabled prior to age 65, enrollment in Medicare is effective two years after the start of disability benefit eligibility, although the two-year waiting period is waived if the disability resulted from kidney failure or ALS.³¹

Individuals who do not begin receiving retirement benefits until after age 65 must apply for Medicare benefits when turning 65. They may apply during the seven-month “initial enrollment” period, which begins three months before the month of their 65th birthday and ends three months after the month of their 65th birthday.³² For example, if a person’s birthday was in April, the initial enrollment period would last from January through July of the year the person turns 65.

Other Part A Enrollment Periods

For people eligible for premium-free Part A, if they miss their Initial Enrollment Period, they can enroll in Part A any time.³³

For people who must pay a premium to qualify for Part A, if they miss their Initial Enrollment Period they will generally have to wait until the General Enrollment period or a Special Enrollment Period to enroll in Part A.³⁴ The General Enrollment Period runs from January 1 to March 31 each year. If eligible, coverage starts the first of the month after an application is submitted.³⁵ People eligible for QMB in certain states (called “buy-in states”) can enroll in Part A at any time.³⁶

Part A Premium Penalty for Late Enrollment

People who must pay a premium for Medicare Part A are subject to a Part A late enrollment penalty if they do not enroll when first eligible. The late enrollment penalty is generally calculated as 10% of the Part A premium. It lasts twice the number of years as the person delayed enrolling in Part A. For example, if a person delayed enrolling in Part A for one year, the late enrollment penalty would last two years.³⁷

There are Special Enrollment Periods that can help an individual avoid late enrollment penalties.³⁸ There are also programs for low-income Medicare enrollees to help pay for Part A premiums (see Section 4).

Part B Enrollment

There are three types of enrollment periods for Medicare Part B: (1) The Initial Enrollment Period; (2) The General Enrollment Period; and (3) Special Enrollment Periods.

Part B Initial Enrollment Period

Individuals who are turning 65 and have not yet applied for Social Security, Railroad Retirement benefits, or Medicare Part A can enroll in Part B during the seven-month initial enrollment period. The initial enrollment period begins three months before the month of their 65th birthday and ends three months after the month of their 65th birthday.³⁹

Individuals who are enrolled in a federal marketplace or a state exchange plan will generally lose their health plan subsidies when they become Medicare eligible, and therefore, should promptly enroll in Medicare when they become eligible.

Part B General Enrollment Period

If the Initial Enrollment Period has passed, an individual may sign up for Medicare Part B during the General Enrollment Period. The General Enrollment Period runs from January 1 to March 31 each year. If enrolling during this period, coverage starts the first of the month after an application is submitted.⁴⁰

Part B Premium Penalty for Late Enrollment

The cost of the premium will rise by 10 percent for each 12-month period in which someone who was eligible for Part B coverage did not enroll, except in special cases. This increase will apply as long as the individual receives Part B coverage.⁴¹ There are Special Enrollment Periods that may help an individual avoid this penalty.⁴² There are also programs to help low-income enrollees pay for Part B premiums (See Section 4).

Part C Enrollment

Individuals can enroll in Part C (“Medicare Advantage plans”) during their Initial Enrollment period and during certain time periods, including the Open Enrollment Period, which runs October 15 to December 7 every year.⁴³

Part D Enrollment

An individual’s enrollment timetable for when they can sign up for Part D coverage depends on their Medicare eligibility timing and whether they have other creditable prescription drug coverage. A monthly penalty is added if an individual does not meet their required timeline to enroll in Medicare Part D plan. Individuals enrolled in LIS are not subject to these penalties.

Medigap Enrollment

Medigap enrollment is generally limited to the first six months after a person is on Part B and is 65 or older. After this time period, Medigap plans may not be available, or they may cost more.⁴⁴

Conclusion

By understanding Medicare's eligibility and enrollment rules, professionals in the aging and disability network can better inform the millions of Americans who rely on Medicare for necessary health care coverage. This issue brief provided a basic foundation on those rules.

Additional Resources

- Rachel Gershon: rgershon@justiceinaging.org
- Amber Christ: achrist@justiceinaging.org
- Medicare Statute: Title 18 of the Social Security Act, 42 U.S.C. 1395 *et seq.*
- Medicare Regulations: 42 C.F.R. Parts 406 - 426
- Medicare.gov Forms: [Help and Resources](#)
- 1-800-Medicare (1-800-633-4227)
- [State Health Insurance Advocacy Program](#)
- Center for Medicare Advocacy: [Self Help Materials](#)
- [Medicare Rights Center](#)
- Medicare Rights Center National Helpline: 1-800-333-4114
- National Council on Aging: [Benefits Check Up](#)
- Justice in Aging: [Medicare and Medicaid Resources](#)
- NCLER Practice Tip: [Final Rules to Streamline and Expand Enrollment in Medicare Parts A and B](#)
- NCLER Training: [Medicare Part D The Prescription Drug Program: Basics and Legal Updates](#)

Case consultation assistance is available for attorneys and professionals seeking more information to help older adults. Contact NCLER at ConsultNCLER@acl.hhs.gov.

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Endnotes

- 1 42 U.S.C. § 1395d; 42 C.F.R. §§ 409.1 *et seq.*
- 2 42 U.S.C. § 1395k; 42 C.F.R. §§ 410.1 *et seq.*
- 3 42 U.S.C. § 1395w-21; 42 C.F.R. §§ 422.1 *et seq.*
- 4 42 U.S.C. § 1395c; 42 C.F.R. § 406.10.
- 5 42 U.S.C. § 1395c; 42 C.F.R. § 406.12.
- 6 42 U.S.C. § 1395p(j).
- 7 42 U.S.C. § 1395c; 42 C.F.R. § 406.13.
- 8 42 U.S.C. § 1395i-2; 42 C.F.R. § 406.20.
- 9 See Centers for Medicare and Medicaid Services (CMS), “Part A Costs,” available at [medicare.gov/your-medicare-costs/part-a-costs/part-a-costs.html](https://www.medicare.gov/your-medicare-costs/part-a-costs/part-a-costs.html).
- 10 See Justice in Aging, “Marriage, Medicare, and Medicaid,” available at justiceinaging.org/wp-content/uploads/2023/01/SAGE-SHIP-Marriage-Medicare-Medicaid-Final.pdf.
- 11 42 U.S.C. § 1395e; 42 C.F.R. §§ 409.80 *et seq.*; See CMS, “Medicare 2023 Costs,” available at [medicare.gov/Pubs/pdf/11579-Medicare-Costs.pdf](https://www.medicare.gov/Pubs/pdf/11579-Medicare-Costs.pdf).
- 12 42 U.S.C. § 1395o; 42 C.F.R. § 407.10.
- 13 See CMS, “Part B Costs,” available at [medicare.gov/basics/costs/medicare-costs](https://www.medicare.gov/basics/costs/medicare-costs).
- 14 42 U.S.C. § 1395l(b); 42 C.F.R. § 410.160; See CMS, “Part B Costs,” *supra* note 13.
- 15 42 U.S.C. § 1395l(a); 42 C.F.R. § 410.152.
- 16 Wyatt Koma et. al., KFF, Medicare Beneficiaries’ Financial Security Before the Coronavirus Pandemic (April 24, 2020), available at [kff.org/medicare/issue-brief/medicare-beneficiaries-financial-security-before-the-coronavirus-pandemic/](https://www.kff.org/medicare/issue-brief/medicare-beneficiaries-financial-security-before-the-coronavirus-pandemic/).
- 17 Yi-Ting Chou et. al., The Association Between Medicare Low-Income Subsidy and Anticancer Treatment Uptake in Advanced Lung Cancer, *J Natl Cancer Inst.* 2020 Jun 1;112(6):637-646. doi: 10.1093/jnci/djz183 (LIS enrollment associated with reduced time in initiating anti-cancer medication); Stacie B. Dusetzina et. al., Many Medicare Beneficiaries Do Not Fill High-Price Specialty Drug Prescriptions, *Health Affairs* 41(4) (2022) (LIS beneficiaries were nearly twice as likely to obtain prescribed medication).
- 18 42 C.F.R. § 430.0.
- 19 42 U.S.C. § 1395w-101; 42 C.F.R. §§ 423.1 *et seq.*
- 20 42 C.F.R. § 423.773(c).
- 21 Justice in Aging, “Improper Billing,” available at justiceinaging.org/our-work/healthcare/dual-eligibles-california-and-federal-improper-billing/.
- 22 CMS, “Medicare Savings Programs,” available at [medicare.gov/medicare-savings-programs](https://www.medicare.gov/medicare-savings-programs).
- 23 KFF, “Eligibility for Medicare Savings Programs for Qualified Medicare Beneficiaries (QMBs),” available at [kff.org/other/state-indicator/eligibility-for-medicare-savings-programs-for-qualified-medicare-beneficiaries-qmbs/](https://www.kff.org/other/state-indicator/eligibility-for-medicare-savings-programs-for-qualified-medicare-beneficiaries-qmbs/).
- 24 *Id.*
- 25 42 U.S.C. § 1396a(a)(10)(E)(iii).
- 26 KFF, “Eligibility for Medicare Savings Programs for Specified Low-Income Medicare Beneficiaries,” available at [kff.org/other/state-indicator/eligibility-for-medicare-savings-programs-for-specified-low-income-medicare-beneficiaries-slmbs](https://www.kff.org/other/state-indicator/eligibility-for-medicare-savings-programs-for-specified-low-income-medicare-beneficiaries-slmbs/).
- 27 *Id.*
- 28 42 U.S.C. § 1396a(a)(10)(E)(iv).
- 29 KFF, “Eligibility for Medicare Savings Programs for Qualified Individuals (QIs),” available at [kff.org/other/state-indicator/eligibility-for-medicare-savings-programs-for-qualified-individuals-qis](https://www.kff.org/other/state-indicator/eligibility-for-medicare-savings-programs-for-qualified-individuals-qis/).
- 30 *Id.*
- 31 42 C.F.R. §§ 406.6; 406.13.
- 32 There is a different Initial Enrollment Period for people whose birthday is the first of a month. In that case, the initial enrollment period runs from four months before the person’s 65th birthday month and ends two months after the 65th birthday month.
- 33 CMS, “When Does Medicare Coverage Start?” available at [medicare.gov/basics/get-started-with-medicare/sign-up/when-does-medicare-coverage-start](https://www.medicare.gov/basics/get-started-with-medicare/sign-up/when-does-medicare-coverage-start).
- 34 42 C.F.R. § 406.21; CMS, “Avoid Late Enrollment Penalties,” available at [medicare.gov/basics/costs/medicare-costs/avoid-penalties](https://www.medicare.gov/basics/costs/medicare-costs/avoid-penalties).
- 35 42 C.F.R. § 406.21(c).
- 36 42 C.F.R. § 406.26(b)(2).
- 37 42 C.F.R. § 406.32(d).
- 38 CMS, “Avoid Late Enrollment Penalties,” *supra* note 34.
- 39 42 U.S.C. § 1395p(d); 42 C.F.R. § 407.14
- 40 42 U.S.C. § 1395p(e); 42 C.F.R. § 407.15. See note 32, above, for the Initial Enrollment Period for people with a birthday on the first of the month.
- 41 42 U.S.C. § 1395r(b); 42 C.F.R. § 408.22.
- 42 CMS, “Avoid Late Enrollment Penalties,” *supra* note 34.
- 43 42 C.F.R. § 422.62; CMS, “Joining a Plan,” available at [medicare.gov/basics/get-started-with-medicare/get-more-coverage/joining-a-plan](https://www.medicare.gov/basics/get-started-with-medicare/get-more-coverage/joining-a-plan).
- 44 CMS, “Get Ready to Buy: Your Medigap Open Enrollment Period,” available at: [medicare.gov/health-drug-plans/medigap/ready-to-buy](https://www.medicare.gov/health-drug-plans/medigap/ready-to-buy)