

# Payment Options for Individuals Who Owe Past-Due Medicare Premiums

PRACTICE TIP • November 2024

Rachel Gershon, Senior Attorney, Justice in Aging

Samantha Morales, Senior Policy Advocate, Justice in Aging

There are a number of circumstances where a Medicare enrollee may owe back Medicare premiums. A very common example of when an enrollee may face past-due Medicare premiums is when they lose Medicaid coverage that helps pay for Medicare premiums. For another example, an enrollee leaving incarceration may see a past-due Medicare premium because their Part B premium continued to be billed for a few months while they were incarcerated.

When an individual owes back Medicare premiums, that amount can be deducted from their monthly Social Security check. Because the amount deducted can be for months of back premiums, it can be a high amount and cause a lot of immediate financial distress. There are options available to enrollees who owe back Medicare premiums that can help reduce or even eliminate the amount that needs to be paid back. An individual can pursue multiple options at the same time.

## Option 1: Installment Payment Plans

Individuals can request an installment payment plan to pay down their past-due Medicare premiums.<sup>1</sup> Monthly payments can be as low as \$15 if the past-due Medicare premium is \$630 or less; otherwise, the monthly payment will be higher. The monthly installment payment must be high enough to pay back the past-due amount within 42 months.<sup>2</sup>

An installment payment plan agreement can be requested by calling Social Security (1-800-772-1213) or contacting the local Social Security Administration (SSA) field office. When contacting SSA, the Medicare enrollee can request an installment plan agreement and state that they are unable to pay the past-due Medicare premium as a lump sum.

**Importantly, under this installment payment plan option, the amount of past-due Medicare premiums already paid (including money taken out of Social Security checks) can be refunded in a matter of days after the request.**

### Example

Ms. Oh recently lost Medicaid coverage because she did not receive her annual redetermination forms to complete. She received a notice from SSA that she owes three months of Medicare Part B premiums totaling \$524, and her monthly Social Security Retirement check of \$1,200 was reduced by \$524 to pay for that back premium. Ms. Oh called Social Security (1-800-772-1213) and requested an installment payment plan. The SSA refunded Ms. Oh \$524, and reduced her Social Security Retirement check by \$15 per month going forward.

- 1 Social Security Administration Program Operations Manual Systems (POMS) [HI 00805.180](#), Payment of Premium Arrearage; Centers for Medicare and Medicaid Services, [Helping Individuals When Medicaid Termination Results in Liability for Medicare Premiums](#).
- 2 Social Security Administration Program Operations Manual Systems (POMS) [HI 00805.180](#), Payment of Premium Arrearage.

## Option 2: Request for a Waiver

Individuals can use [SSA Form 632](#) to request a waiver for extreme hardship.<sup>3</sup> Individuals with Supplemental Security Income (SSI) will be granted a waiver, along with others who demonstrate extreme hardship (even if they are not on SSI). A waiver process can be started by calling Social Security (1-800-772-1213) or contacting the local SSA field office. Under this waiver option, the amount owed in back Medicare premiums is eliminated and the amount of past-due Medicare premium already paid (including money taken out of Social Security checks) can be refunded in a matter of days after the request.

## Option 3: Medicaid Appeals

An individual may owe Medicare back premiums due to an incorrect Medicaid decision, such as improper termination of their Medicare Savings Program (MSP). In that case, the individual can file an appeal with their state Medicaid agency, seek a reinstatement of their application, and/or reapply for coverage.<sup>4</sup>

### Example

Ms. Oh, who sought an installment plan when she lost her Medicaid coverage (above), also appealed the loss of her Medicaid coverage and won, with Medicaid coverage restored back to the date that she lost it. Ms. Oh no longer owes past-due Medicare premiums. The SSA refunded the amounts she paid under the installment plan. Ms. Oh does not have to pay installments going forward.

## Option 4: Request for an SSA Non-Medical Reconsideration

For Medicare enrollees who receive an advance notice from SSA stating that they owe back Medicare premiums and they do not agree with the amount owed, they can take action and file an appeal with SSA. First, Medicare enrollees can make an online [request for non-medical reconsideration](#). Individuals can also complete the [SSA-561](#) PDF form and fax it or send it via certified mail with a return receipt to their local SSA office. They should keep proof of when the local SSA office receives the appeal. Enrollees have 60 days from the date the advance notice was received to appeal. In some circumstances, there may be continued benefits pending appeal, including Goldberg Kelly Payment Continuation.<sup>5</sup>

## Conclusion

For low-income older adults, back Medicare premiums can pose an unsustainable financial burden. The options for financial relief from retroactive premium liability offered by SSA provides a lifeline for older adults who rely primarily on their Social Security benefits to survive. Advocates assisting low-income older adults impacted by Medicare back premiums can use this tip sheet to assist their clients to make a request for an installment plan, a hardship waiver, and/or appeal with a request for non-medical reconsideration. Regardless of whether Medicare enrollees' premiums are deducted from their Social Security benefit payment or billed, individuals can pursue any and all courses simultaneously.

3 Centers for Medicare and Medicaid Services, [Helping Individuals When Medicaid Termination Results in Liability for Medicare Premiums](#).

4 Centers for Medicare and Medicaid Services, [Helping Individuals When Medicaid Termination Results in Liability for Medicare Premiums](#).

5 [SSA POMS SI 02301.310](#) Appeal and the Right to Goldberg Kelly (GK) Payment Continuation.

## Additional Resources

### Option 1: Installment Payment Plans

- [SSA POMS HI 00805.180](#), Payment of Premium Arrearage (October 11, 2023)
- [SSA POMS HI 00830.060](#), Installment Payments for Retroactive Premiums (January 11, 2017)
- CMS, [Helping Individuals When Medicaid Termination Results in Liability for Medicare Premiums](#) (slide 10)

### Option 2: Request for a Waiver

- See [SSA Form 632](#) for more information on the waiver option and the necessary supporting documentation.
- For more information on qualifying for a hardship waiver, see [20 CFR 416.550](#) (for SSI) and [20 C.F.R. § 404.506](#) (for Title II benefits).
- CMS, [Helping Individuals When Medicaid Termination Results in Liability for Medicare Premiums](#) (slide 11)

### Option 3: Medicaid Appeals

- CMS, [Helping Individuals When Medicaid Termination Results in Liability for Medicare Premiums](#) (slide 14)

### Option 4: Request for an SSA Non-Medical Reconsideration

- [SSA POMS SI 02301.310](#), Appeal and the Right to Goldberg Kelly (GK) Payment Continuation (August 26, 2024)
- SSA, [Your Right to Question the Decision Made on Your Claim](#)
- SSA, [Appeal a Decision we Made](#)

---

**Case consultation assistance is available for attorneys and professionals seeking more information to help older adults. Contact NCLER at [ConsultNCLER@acl.hhs.gov](mailto:ConsultNCLER@acl.hhs.gov).**

---

*This Practice Tip was supported by contract with the National Center on Law and Elder Rights, contract number HHS75P00121C00033, from the U.S. Administration on Community Living, Department of Health and Human Services, Washington, D.C. 20201.*