SUMMIT
FINANCIAL GROUP

HOW CAN I AVOID MEDICARE INSURANCE PENALTIES?

PART A

What is the Penalty?

10 percent for twice the number of years you could have had Part A, if you don't have premium-free Part A.

Example: You waited until you were 69 to enroll in Part A, giving you an eight-year penalty.

How To Avoid: Enroll in Part A during your IEP if you aren't automatically enrolled.

PART B

What is the Penalty?

10 percent penalty for each 12-month cycle without Part B.

Example: You waited 24 months to enroll in Part B, receiving a 20 percent penalty.

How To Avoid: Enroll during your IEP or have qualified group health plan coverage, ex. from an employer.

PART D

What is the Penalty?

One percent each month you go without creditable coverage.

Example: You go without coverage for 25 months, so your penalty is 25 percent of the national base beneficiary premium (NBBP is $38.99 in 2026)

How To Avoid: Join a Part D plan or a plan with creditable drug coverage to prevent 63 continuous days without creditable coverage.

SPECIAL ENROLLMENT PERIODS

You may be able to delay enrollment outside your IEP without a penalty. For example, you have:

- An SEP to enroll in Original Medicare at any time while you have a plan through an employer.
- An eight-month SEP beginning the month after your employment or the employer health plan ends (whichever comes first).

You may not get a penalty enrolling during an SEP.

MEDICARE PART D APPEALS

If you disagree with a Part D penalty, you can ask for a reconsideration.

Send evidence that you had creditable coverage along with a completed form within 60 days to start the process.

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