

Kathleen Martin is an attorney with O'Donnell, Weiss & Mattei, P.C., and a newspaper columnist for The Mercury, which gave permission for this article to be reprinted.

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Romney does not plan to sign up for Medicare Part B

U.S. citizens who qualify for Medicare (most Americans) can sign up starting three months before their 65th birthday. Mitt Romney was 65 years old on March 12; however, unlike most Americans, Romney is saying “no thanks” to Medicare, in part at least, for political reasons. This was reported in Elder Law Answers on March 14, 2012, “Unlike almost all Americans, Romney is not signing up for Medicare” (<http://www.elderlawanswers.com/resources/article.asp?id=9764&Section=4&state=>).

If an individual is already receiving Social Security benefits at age 65 years, he or she is automatically signed up for Medicare Parts A and B. However, since full retirement age for those born between 1943 and 1954 is age 66 years, unless you chose to start Social Security benefits early (between age 62 and 66), signing up for Medicare at age 65 years requires some affirmative action. Medicare Part A, which is basically hospital benefits, is available at no cost. Medicare Part B, which pays for doctor visits and other outpatient care, requires a monthly premium, and recipients have the option of turning it down, just as Romney has chosen to do. Although Romney may have his own reasons for declining Medicare Part B coverage, most Americans should be careful about applying for Part B (and Part D coverage for prescriptions) in a timely manner, since a penalty is assessed if the beneficiary later changes his mind.

Since Part B has a premium associated for coverage, many people think that they will wait until they are retired to start using Medicare. Since many people do not stop working at age 65 or before, it is feasible that someone would have coverage through an employer. The important part of this analysis is whether it is considered group coverage, in which case it would be considered “creditable coverage” by the Social Security Administration, and no penalty would be assessed for changing one’s mind and accepting Medicare Part B at a later date. (Mitt Romney has not disclosed if his current coverage is individual or part of a group plan; his insurance coverage is the result of a law that he signed as Governor of Massachusetts which required him to have health insurance). However, those who buy individual coverage would have a premium increase of 10 percent during each 12 month period that the person qualified for coverage but refused to accept it. (Presumably Romney is not deterred by potentially higher premiums since his net worth is estimated to be between \$190 and \$250 million).

For most Americans, especially those who look forward to being qualified for Medicare, it is important to be careful as to when to accept Part B coverage. A ten percent increase per year that never disappears can be a financial burden in later years. Although your Medicare B premium is adjusted according to your gross income, the premium costs falls as your income drops, unless there is a premium penalty.

Political observers say that Romney is trying to send a message that the Medicare program must change. He is in favor of giving seniors “premium support” to buy insurance on the private market or from Medicare. He also advocates increasing the eligibility age. The Center on Budget and Policy Priorities says that this approach would shift substantial costs to the beneficiaries, and “could lead to the demise of traditional Medicare over time.” In addition to learning about potential penalties for failing to choose Medicare Part B in a timely fashion, Americans also should watch what their political candidates are proposing for the Medicare program.