§ 406.28  End of entitlement.

Any of the following actions or events ends entitlement to premium hospital insurance:

(a) Filing of request for termination.

The beneficiary may at any time give CMS or the Social Security Administration written notice that he or she no longer wishes to participate in the premium hospital insurance program.

(1) If he or she files the notice before entitlement begins, he or she will be deemed not to have enrolled.

(2) If he or she files the notice after entitlement begins, that entitlement will end at the close of the month following the month in which he or she filed the notice.

(b) Eligibility for hospital insurance without premiums.

(1) If an individual meets the eligibility requirements for hospital insurance specified in §406.10, §406.11, §406.13 or §406.15, entitlement to premium hospital insurance ends with the month before the month in which he or she meets those requirements.

(2) If an individual meets the requirements of §406.10, §406.11, §406.13, or §406.15, he or she will be deemed to have filed the required application for hospital insurance benefits in his or her first month of eligibility under that section.

(c) End of entitlement to supplementary medical insurance (SMI) for individual who has attained age 65.

In the case of an individual enrolled on the basis of §406.20(b), entitlement to premium hospital insurance ends on the same date that entitlement to SMI ends.

(d) Nonpayment of premium.

(1) If an individual fails to pay the premium bill, entitlement will end on the last day of the third month after the billing month.

(2) CMS may reinstate entitlement if the individual shows good cause for failure to pay on time, and pays all overdue premiums within 3 calendar months after the date specified in paragraph (d)(1) of this section.

(e) Death.

Entitlement ends with the day of death. (A premium is due for the month of death.)

(f) End of disabling impairment for individual under age 65.

In the case of an individual enrolled on the basis of §406.20(c), entitlement to premium hospital insurance ends on the last day of the month after the month in which the individual is notified that he or she no longer has a disabling impairment.


§ 406.32  Monthly premiums.

(a) Promulgation and effective date. Beginning with 1984, premiums are promulgated each September, effective for the succeeding calendar year.

(b) Monthly premiums: Determination of dollar amount.

(1) Effective for calendar years beginning January 1989, the dollar amount is determined based on an estimate of one-twelfth of the average per capita costs for benefits and administrative costs that will be payable with respect to individuals age 65 or over from the Federal Hospital Insurance Trust Fund during the succeeding calendar year.

(2) Before 1989, the dollar amount was determined by multiplying $33 by the ratio of the next year’s inpatient deductible to $76, which was the inpatient deductible determined for 1973. (Because of cost controls, the deductible actually charged for that year was $72.)