(3) Special rule: Calendar years after 1988. (i) Beginning with calendar year 1989, a premium increase greater than the cost-of-living increase is still a prerequisite for a nonstandard premium.

(ii) However, a nonstandard premium is not precluded solely because the cash benefit is further reduced as a result of government pension offset or workers’ compensation payment.

(iii) Beginning with CY 2007, a nonstandard premium may not be applied to individuals who are required to pay an income-related monthly adjustment amount described in §408.28 of this part.

(4) Amount of nonstandard premium. The nonstandard premium is the greater of the following:

(i) The premium paid for December.

(ii) The standard premium promulgated for January, reduced as necessary to compensate for—

(A) The fact that the cost-of-living increase was less than the increase in the standard premium; or

(B) The further reduction in benefit because of government pension offset or workers’ compensation payments.

(5) Effective dates of nonstandard premium. A nonstandard premium established under this paragraph (e) continues in effect for the rest of the calendar year even if later there are retroactive adjustments in benefit payments. (The nonstandard premium could be affected by a determination that the individual had not established, or had lost, entitlement to monthly benefits for November or December, or both.)

(6) Effect of late enrollment or reenrollment. A nonstandard premium is subject to increase for late enrollment or reenrollment as required under other sections of this subpart. The increase is computed on the basis of the standard premium and added to the nonstandard premium.

§ 408.21 Reduction in Medicare Part B premium as an additional benefit under Medicare + Choice plans.

(a) Basis for reduction in Part B premium. Beginning January 1, 2003 an M + C organization may elect to receive a reduction in its payments under §422.250(a)(1) of this chapter if—

(1) 80 percent of the payment reduction is applied to reduce the standard Medicare Part B premiums of its Medicare enrollees.

(2) The Medicare Part B premium is reduced monthly and is offered to all Medicare enrollees in a specific plan benefit package.

(b) Administrative requirements for the Part B premium reduction. (1) The Medicare Part B premium reduction cannot be greater than the standard premium amount determined for the year, under section 1839(a)(3) of the Act. However, it may be less.

(2) The Medicare Part B premium reduction must be a multiple of 10 cents.

(3) The Medicare Part B premium reduction is applied regardless of who pays or collects the Part B premium on behalf of the beneficiary.

(4) The Medicare Part B premium can never be less than zero and will never result in a payment to a beneficiary for a specific month.

(c) Beneficiary eligibility. In order for a beneficiary to be eligible for the Medicare Part B premium reduction, the beneficiary must be enrolled in an M + C plan that offers the Medicare Part B premium reduction as an additional benefit.

(d) Notifications. After determining the Medicare Part B premium reduction amount for each eligible beneficiary, CMS will—

(1) Transmit this information to the Social Security Administration, Railroad Retirement Board, or the Office of Personnel Management, as appropriate, which will adjust the benefit check amounts as appropriate and notify the beneficiaries of their new benefit amount.

(2) Notify states and formal groups and direct billed beneficiaries of their reduced premium amounts in the regular monthly billing process.

§ 408.22 Increased premiums for late enrollment and for reenrollment.

For an individual who enrolls after expiration of his or her initial enrollment period or reenrolls after termination of a coverage period, the standard monthly premium determined
§ 408.24 Individuals who enrolled or reenrolled before April 1, 1981 or after September 30, 1981.

(a) Enrollment. For an individual who first enrolled before April 1, 1981 or after September 30, 1981, the period includes the number of months elapsed between the close of the individual’s initial enrollment period and the close of the enrollment period in which he or she first enrolled, and excludes the following:

(1) The three months of January through March 1968, if the individual first enrolled before April 1968.

(2) Any months before January 1973 during which the individual was precluded from enrolling or reenrolling by the 3-year limitation on enrollment or reenrollment that was in effect before October 30, 1972.

(3) Any months in or before a period of coverage under a State buy-in agreement.

(4) For an individual under age 65, any month before his or her current continuous period of entitlement to hospital insurance.

(5) For an individual age 65 or older, any month before the month he or she attained age 65.

(6) For premiums due for months beginning with September 1984 and ending with May 1986, the following:

(i) Any months after December 1982 during which the individual was—
    (A) Age 65 to 69;
    (B) Entitled to hospital insurance (Medicare Part A); and
    (C) Covered under a group health plan (GHP) by reason of current employment status.

(ii) Any months of SMI coverage for which the individual enrolled during a special enrollment period as provided in §407.20 of this chapter.

(b) Reenrollment. For an individual who reenrolled before April 1, 1981 or after September 30, 1981, the period:

(1) Includes the following:

(i) The number of months elapsed between the close of the individual’s initial enrollment period and the close of the enrollment period in which he or she first enrolled; plus

(ii) The number of months elapsed between the individual’s initial period of coverage and the close of the enrollment period in which he or she reenrolled; plus...