

## § 407.50

coverage ends on the last day of the last month for which the agreement was in effect, or covered the broader buy-in group.

[53 FR 47204, Nov. 22, 1988, as amended at 56 FR 38082, Aug. 12, 1991]

### § 407.50 Continuation of coverage: Individual enrollment following end of coverage under a State buy-in agreement.

(a) *Deemed enrollment.* When coverage under a buy-in agreement ends because the agreement terminates, or is modified to substitute a narrower buy-in group, or because the individual is no longer eligible for inclusion in the buy-in group, the individual—

(1) Is considered to have enrolled during his or her initial enrollment period; and

(2) Will be entitled to SMI on this basis and liable for SMI premiums beginning with the first month for which he or she is no longer covered under the buy-in agreement.

(b) *Voluntary termination.* (1) An individual may voluntarily terminate entitlement acquired under paragraph (a) of this section by filing, with SSA or CMS, a request for disenrollment.

(2) Voluntary disenrollment is effective as follows:

(i) If the individual files a request within 30 days after the date of CMS's notice that buy-in coverage has ended, the individual's entitlement ends on the last day of the last month for which the State paid the premium.

(ii) If the individual files the request more than 30 days but not more than 6 months after buy-in coverage ends, entitlement ends on the last day of the month in which the request is filed.

(iii) If the individual files the request later than the 6th month after buy-in coverage ends, entitlement ends at the end of the month after the month in which request is filed.<sup>1</sup>

[53 FR 47204, Nov. 22, 1988, as amended at 56 FR 38082, Aug. 12, 1991]

<sup>1</sup>For requests filed before July 1987, entitlement ended on the last day of the calendar quarter after the quarter in which the disenrollment request was filed.

## 42 CFR Ch. IV (10-1-05 Edition)

### PART 408—PREMIUMS FOR SUPPLEMENTARY MEDICAL INSURANCE

#### Subpart A—General Provisions

- Sec.
- 408.1 Statutory basis.
  - 408.2 Scope and purpose.
  - 408.3 Definitions.
  - 408.4 Payment obligations.
  - 408.6 Methods and priorities for payment.
  - 408.8 Grace period and termination date.
  - 408.10 Claim for monthly benefits pending concurrently with request for SMI enrollment.

#### Subpart B—Amount of Monthly Premium

- 408.20 Monthly premiums.
- 408.21 Reduction in Medicare Part B premium as an additional benefit under Medicare+Choice plans.
- 408.22 Increased premiums for late enrollment and for reenrollment.
- 408.24 Individuals who enrolled or reenrolled before April 1, 1981 or after September 30, 1981.
- 408.25 Individuals who enrolled or reenrolled between April 1 and September 30, 1981.
- 408.26 Examples.
- 408.27 Rounding the monthly premium.

#### Subpart C—Deduction From Monthly Benefits

- 408.40 Deduction from monthly benefits: Basic rules.
- 408.42 Deduction from railroad retirement benefits.
- 408.43 Deduction from social security benefits.
- 408.44 Deduction from civil service annuities.
- 408.45 Deduction from age 72 special payments.
- 408.46 Effect of suspension of social security benefits.
- 408.47 [Reserved]
- 408.50 When premiums are considered paid.
- 408.52 Change from direct remittance to deduction.
- 408.53 Change from partial direct remittance to full deduction.

#### Subpart D—Direct Remittance: Individual Payment

- 408.60 Direct remittance: Basic rules.
- 408.62 Initial and subsequent billings.
- 408.63 Billing procedures when monthly benefits are less than monthly premiums.
- 408.65 Payment options.
- 408.68 When premiums are considered paid.
- 408.70 Change from quarterly to monthly payments.
- 408.71 Change from deduction or State payment to direct remittance.

**Subpart E—Direct Remittance: Group Payment**

- 408.80 Basic rules.
- 408.82 Conditions for group billing.
- 408.84 Billing and payment procedures.
- 408.86 Responsibilities under group billing arrangement.
- 408.88 Refund of group payments.
- 408.90 Termination of group billing arrangement.
- 408.92 Change from group payment to deduction or individual payment.

**Subpart F—Termination and Reinstatement of Coverage**

- 408.100 Termination of coverage for non-payment of premiums.
- 408.102 Reconsideration of termination.
- 408.104 Reinstatement procedures.

**Subpart G—Collection of Unpaid Premiums; Refund of Excess Premiums After the Death of the Enrollee**

- 408.110 Collection of unpaid premiums.
- 408.112 Refund of excess premiums after the enrollee dies.

**Subpart H—Supplementary Medical Insurance Premium Surcharge Agreements**

- 408.200 Statutory basis.
- 408.201 Definitions.
- 408.202 Conditions for participation.
- 408.205 Application procedures.
- 408.207 Billing and payment procedures.
- 408.210 Termination of SMI premium surcharge agreement.

**AUTHORITY:** Secs. 1102 and 1871 of the Social Security Act (42 U.S.C. 1302 and 1395hh).

**SOURCE:** 52 FR 48115, Dec. 18, 1987, unless otherwise noted.

**Subpart A—General Provisions****§ 408.1 Statutory basis.**

(a) This part implements certain provisions of sections 1837 through 1840 and 1881(d) of the Social Security Act (the Act) and conforms to other regulations that implement section 1843 of the Act. Section 1838(b) requires regulations to establish when an individual's coverage ends because of non-payment of premiums. It also specifies that those regulations may provide a grace period for payment of overdue premiums without loss of coverage. Section 1839 sets forth the specific procedures for determining the amount of the monthly premium and section 1840

establishes the rules for payment of premiums. Section 1843 provides that a State may enter into a buy-in agreement to secure SMI coverage for certain individuals by enrolling them in the SMI program and paying the premiums on their behalf. Section 1881(d) provides that Medicare payment, for the reasonable charges incurred in connection with a kidney donation, shall be made (without regard to deductible, premium, or coinsurance provisions of title XVIII) as prescribed in regulations.

(b) The Federal Claims Collection Act (31 U.S.C. 3711), as implemented by 4 CFR parts 101–105, provides the basic authority for recovery of debts owed the United States government and specifies the conditions for the suspension or termination of collection action. Departmental regulations at 45 CFR part 30, updated by a final rule published on January 5, 1987 (52 FR 260) set forth procedures for the exercise of the Department's authority to collect and dispose of debts and were intended to complement rules applicable to particular programs. CMS rules are set forth at 42 CFR part 401, subpart F.

[52 FR 48115, Dec. 18, 1987; 53 FR 4158, Feb. 12, 1988, as amended at 56 FR 48112, Sept. 24, 1991]

**§ 408.2 Scope and purpose.**

(a) This part sets forth the policies and procedures for determining the amount of monthly supplementary medical insurance (SMI) premiums, for the payment, collection, or refund of premiums, for termination of coverage because of nonpayment of premiums, and for reinstatement of coverage if certain conditions are met. It conforms to subpart C of part 407 of this chapter, which sets forth the requirements for State buy-in agreements. These policies are intended to protect enrollee coverage to the maximum degree compatible with maintaining the integrity of the SMI program.

(b) Policies that apply to premiums that certain individuals must pay in order to become entitled to Medicare Part A hospital insurance benefits, are set forth in part 406 of this chapter.

[52 FR 48115, Dec. 18, 1987; 53 FR 4159, Feb. 12, 1988]