



# Medicare For SS Beneficiaries

## March 13, 2007

U.S. Railroad Retirement Board  
844 North Rush Street  
Chicago Illinois, 60611-2092

Phone: (312) 751-7139  
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Web: <http://www.rrb.gov>

## 720.5 Jurisdiction

The RRB assumes Medicare jurisdiction for all persons whose SS benefits are certified to the RRB for payment. This includes people who would not be considered qualified railroad retirement beneficiaries (QRRBs). These beneficiaries are "deemed" QRRBs for Medicare purposes.

## 720.10 RRB Responsibilities

The RRB is responsible for setting up a Health Insurance (HI) record, issuing the Medicare ID card and collecting supplementary medical insurance (SMI) premiums from beneficiaries whose SS benefits are paid by the RRB. Palmetto GBA will process the Part B Medicare claims.

## 720.15 SMI Premium Collection

### 720.15.1 Social Security Entitlement Only

- A. SS benefit payable - SMI premiums will be deducted from the monthly benefit payable unless the rate is lower than the premium amount. If the monthly SS rate is lower than the premium amount, the beneficiary will be billed directly for the SMI premiums by the RRB.
- B. SS benefit not payable due to work deductions, etc., for an indefinite period of time - SMI premiums will be collected by the RRB through direct billing.
- C. SS benefit not payable for a short time (e.g., for recovery of an overpayment) - SMI premiums will be deducted at the time of reinstatement.

### 720.15.2 Combined Railroad and Social Security Entitlement

If a beneficiary is receiving a combined RR/SS benefit, the premiums will always be deducted from the RR portion due to current processing limitations. If the RR portion is lower than the premium amount, the beneficiary will be billed directly for the premiums, even though the SS benefit is large enough for premium deductions.

### 720.15.3 Combined RR/SS Entitlement - RR Rate Equals Zero

If an RR annuity rate equals zero due to reductions in tier I for SS benefits, worker's compensation, etc., the SMI premiums will be collected as follows:



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- A. RR annuity in suspense - The annuitant will be billed directly for SMI premiums.
- B. RR annuity terminated or constructive award made - SMI premiums will be deducted from the SS benefit.

### 720.20 SMI Premium Arrearages

SMI premium arrearages occur when premiums are due but unpaid for months in which the railroad annuity or SS benefit has not been paid.

Sometimes the RRB receives an SS benefit from the Social Security Administration (SSA) with a Medicare entitlement date that is in the past. This happens frequently in disability cases. When this occurs, past premiums must be deducted from the benefits payable.

#### 720.20.1 Entitlement to Social Security Benefits Only

- A. Premium arrearage less than 6 months or 50% of benefit accrual - The entire arrearage will be deducted from the SS accrual. The award notice released by the RRB will explain the amount of the premiums deducted and the months for which they are due.
- B. Premium arrearage more than 6 months or 50% of benefit accrual - Medicare coverage and premium deductions will be effective with the month of examiner handling. The enrollee will be notified of the start of premium deductions but not the retroactive premiums. Medicare examiners will determine if the equitable relief provisions apply and will implement recovery for the premium arrearage.

If the beneficiary is offered equitable relief but subsequently asks for waiver or protests the arrearage amount, it is SSA's responsibility to determine a final method of recovery and notify the RRB.

If the equitable relief provisions do not apply, Medicare coverage will remain effective with the month of examiner handling.

#### 720.20.2 Entitlement to Railroad and Social Security Benefits

The premium arrearage will be recovered from the railroad annuity according to current instructions.



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## **720.25 Transfers Of Medicare Jurisdiction**

Whenever SS payment jurisdiction changes from RRB to the Social Security Administration (SSA), Medicare jurisdiction will also be transferred for entitled beneficiaries. Headquarters will transfer the benefit and Medicare jurisdiction at the same time and will advise SSA of the paid-through dates. Also, see FOM-I-705.50.