# Compass MED D - Income Related Monthly Adjustment Amount (D-IRMAA)

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**Description:** This document is to ensure that the CCR is prepared to address questions regarding the Part D-Income Related Monthly Adjustment Amount (Part D-IRMAA).

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| General Information |

For beneficiaries whose modified adjusted gross income exceeds certain thresholds ([Income Threshold Tiers and Related Part D - IRMAA amounts](#_Rationale_1)) there will be an increase in the monthly amount of the Medicare Part D base individual premium known as Part D-Income Related Monthly Adjustment Amount (Part D-IRMAA) paid directly to the Centers for Medicare and Medicaid (CMS). The Part D-IRMAA shall be paid through withholding of a beneficiary’s federal benefit paid by either: The Social Security Administration (SSA), Office of Personnel Management (OPM), or Railroad Retirement Board (RRB).

However, in cases where a beneficiary’s monthly federal benefit amount is insufficient to pay the Part D-IRMAA amount. **Example:** Where collection of Part D-IRMAA is not possible, the Social Security Administration (SSA) will enter into agreements with CMS, OPM, and the RRB to allow the beneficiary to be directly billed by the respective Agencies.

* The Part D plan sponsors will **not** be responsible for billing or collecting the Part D-IRMAA.
* Billing and collection will be handled by a third-party vendor which CMS has contracted separately.
* Part D-IRMAA is billed monthly.

In the event a beneficiary fails to pay the Part D-IRMAA, after a grace period and appropriate billing has occurred CMS will disenroll the beneficiary.

CMS will inform the plan when a beneficiary is being involuntarily disenrolled for failure to pay Part D-IRMAA. Plans will send letter **21a** within **10** calendar days of receiving the disenrollment transaction from CMS.

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| Income Threshold Tiers and Related Part D-IRMAA amounts for 2025 & 2024 |

If the beneficiary is single and filed an individual tax return, or married and filed a joint tax return, the following chart applies:

**2025:**

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| **Individual**  **Modified Adjusted Gross Income (MAGI)** | **Married**  **Modified Adjusted Gross Income (MAGI)** | **Prescription drug coverage monthly premium amount for 2025** |
| Less than or equal to $106,000 | Less than or equal to $212,000 | 2025 Plan premium |
| Greater than $106,000 and less than or equal to $133,000 | Greater than $212,000 and less than or equal to $266,000 | 2025 Plan premium + $13.70 |
| Greater than $133,000 and less than or equal to $167,000 | Greater than $266,000 and less than or equal to $334,000 | 2025 Plan premium + $35.30 |
| Greater than $167,000 and less than or equal to $200,000 | Greater than $334,000 and less than or equal to $400,000 | 2025 Plan premium + $57.00 |
| Greater than $200,000 and less than $500,000 | Greater than $400,000 and less than $750,000 | 2025 Plan premium + $78.60 |
| Greater than or equal to $500,000 | Greater than or equal to $750,000 | 2025 Plan premium + $85.80 |

**2024:**

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| **Individual**  **Modified Adjusted Gross Income (MAGI)** | **Married**  **Modified Adjusted Gross Income (MAGI)** | **Prescription drug coverage monthly premium amount for 2024** |
| Less than or equal to $103,000 | Less than or equal to $206,000 | 2024 Plan premium |
| Greater than $103,000 and less than or equal to $129,000 | Greater than $206,000 and less than or equal to $258,000 | 2024 Plan premium + $12.90 |
| Greater than $129,000 and less than or equal to $161,000 | Greater than $258,000 and less than or equal to $322,000 | 2024 Plan premium + $33.30 |
| Greater than $161,000 and less than or equal to $193,000 | Greater than $322,000 and less than or equal to $386,000 | 2024 Plan premium + $53.80 |
| Greater than $193,000 and less than $500,000 | Greater than $386,000 and less than $750,000 | 2024 Plan premium + $74.20 |
| Greater than or equal to $500,000 | Greater than or equal to $750,000 | 2024 Plan premium + $81.00 |

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| Who has to Pay Part D-IRMAA? |

* Part D-IRMAA is only assessed to individuals with an annual income reported (as reported in most recent IRS tax filing) to be over $106,000 for an individual/separate filing married couple or $212,000 for joint filing married couples.
* Individuals with Retiree Drug Subsidy (RDS) coverage do not have to pay Part D-IRMAA, however, when an employer drops RDS coverage and opts for a Medicare Part D plan, individuals are required to pay Part D-IRMAA when applicable.

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| How is Part D-IRMAA Paid? |

* Most individuals have the Part D-IRMAA deducted from their SSA, OPM or RRB benefit.
  + For individuals who do not receive federal benefits, or their benefit is not large enough to cover the cost of the Part D-IRMAA, CMS will bill them monthly for the Part D-IRMAA amount.
* Part D-IRMAA **must** be paid to CMS directly.
  + It cannot be paid to the plan or by the plan on behalf of the beneficiary.
* The employer/union cannot pay the Part D-IRMAA for their beneficiaries.
  + The individual must pay their Part D-IRMAA each month, directly to CMS.
* The bill due date is always the 25th of the month.
  + Payments must arrive at CMS by the due date.
* The bill from CMS may also include Part B or premium Part A amount.
* If the employer/union pays the Part B or premium Part A amounts for their beneficiaries, the individual should only pay the Part D-IRMAA amount each month.
* It is important that the payment arrives on time to CMS.

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| Process - Care |

Upon receiving a call from the beneficiary regarding the Part D-IRMAA, the CCR will perform the steps below:

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| **Step** | **Action** | | |
| **1** | Authenticate the caller. Refer to the following documents:   * [Compass - Guided Caller Authentication](https://thesource.cvshealth.com/nuxeo/thesource/#!/view?docid=80476f74-7dca-4548-bf35-185ca8d45c13) * [HIPAA Authentication Grid](file:///C:\Users\C337799\Downloads\CMS-2-028920) | | |
| **2** | Address any questions from the beneficiary such as: | | |
| **What is the income-related monthly adjustment amount (Part D-IRMAA)?** | * Due to the Patient Protection and Affordable Care Act, the monthly amount of the Medicare Part D base individual premium will be increased based on your adjusted gross income. * Changes in the law affect how Medicare prescription drug coverage premiums are calculated for those with higher incomes. * This extra premium amount is called the income-related monthly adjustment amount (Part D-IRMAA). * This amount is based on your modified adjusted gross income as reported on your IRS tax return from 2 years ago (your most recent tax return). | |
| **Why am I subject to Part D-IRMAA in addition to my standard prescription drug premium?**  **OR**  **Why did I get this letter?** | * The Patient Protection and Affordable Care Act changes how Medicare prescription drug coverage premiums are calculated for those with higher incomes. * Medicare will send you a letter if you must pay an extra amount for your Medicare prescription drug coverage. * This letter will explain how they determined the amount you must pay and the actual amount. * Your health plan does not determine who will be subject to Part D-IRMAA. * Therefore, if you disagree with the amount you must pay, you must contact the Social Security Administration. * For more information about the Part D-IRMAA withholdings from your benefit check, visit<https://www.ssa.gov/medicare>, call **1-800-772-1213**, or visit your local Social Security office.   + TTY users should call **1-800-325-0778**. | |
| **What dollar amount of income are we talking about?** | Adjusted gross income which exceeds the threshold amounts of $106,000 (for individual tax filers) and $212,000 (for joint tax filers). | |
| **How can I get more information about the Part D-IRMAA?** | * Visit <https://www.ssa.gov/medicare>, call **1-800-772-1213**, or visit your local Social Security office.   + TTY users should call **1-800-325-0778**. * I can also have some additional information sent to you if you would like. * Would you like me to have that detail sent to you? | |
| **If…** | **Then…** |
| Yes | Submit the following **Support Task**:  **Task Category:** Med D Enrollment -Fulfillment  **Task Type:** Fulfillment Request  **Notes:** Send Beneficiary copy of IRMAA   * + SSI/EGWP Part D IRMAA Letter (Document number S026SG01)   + Blue MedicareRx Part D IRMAA Letter |
| No | Proceed to **Step 3**. |
| **Who do I talk to about the amount of increase?** | For more information about the Part D-IRMAA withholdings from your benefit check, visit<https://www.ssa.gov/medicare>, call **1-800-772-1213**, or visit your local Social Security office.   * TTY users should call **1-800-325-0778**. | |
| **How will I know if I have to pay Part D-IRMAA?** | * Medicare or the Railroad Retirement Board will send you a letter if you must pay an extra amount for your Medicare prescription drug coverage. * This letter will explain how they determined the amount you must pay and the actual Part D-IRMAA amount. * Your health plan does not determine who will be subject to Part D-IRMAA. * Therefore, if you disagree with the amount you must pay, you must contact the Social Security Administration. * For more information about the Part D-IRMAA withholdings from your benefit check, visit<https://www.ssa.gov/medicare>, call **1-800-772-1213**, or visit your local Social Security office.   + TTY users should call **1-800-325-0778**. | |
| **Do I have to pay the Part D-IRMAA?** | * Yes. * You must pay both the extra amount, as well as your plan’s premium each month to keep Medicare prescription drug (Part D) coverage. | |
| **What happens if I do not pay the Part D-IRMAA?** | * You are required by law to pay the Part D-IRMAA in addition to your plan premium. * You must pay the Part D-IRMAA even if your employer pays for your plan premiums. * If you do not pay the Part D-IRMAA owed amounts, you will be disenrolled from your Part D coverage. * This means that you will be disenrolled from your Medicare Advantage plan or employer group plan if it includes Medicare prescription drug coverage. * If you are enrolled in a Medicare cost plan, you will no longer have the optional prescription drug benefit. | |
| **What happens if I am disenrolled from my Part D coverage?** | * If you are disenrolled, you will no longer have Medicare Part D coverage. * If you lose this coverage and you re-enroll in Part D later, you will still have to pay any Part D-IRMAA you owed. * You may also have to pay a late enrollment penalty due to the break in coverage. | |
| **To whom do I make these payments?** | * CMS. * Individuals pay Part D-IRMAA via:   + Premium withholding through Social Security Administration (SSA), Office of Personnel Management (OPM), or Railroad Retirement Board (RRB).   + Direct bill by Medicare for individuals who do not receive federal benefits or individuals who do not receive enough in benefits to cover the Part D-IRMAA.   + Direct bill by Railroad Retirement Board for individuals receiving Railroad Retirement benefits.   **Note:** If beneficiary erroneously pays the Part D-IRMAA amount to the plan, the plan is not expected to send the amount to CMS.   * Beneficiaries should be instructed to pay the Part D-IRMAA amount to the address that is included on the coupon in the letter they receive from CMS. * Overpayments sent to the plan will be allocated to a future premium. | |
| **Why am I receiving a bill from the Centers for Medicare & Medicaid Services (CMS) for my Part D-IRMAA, rather than Social Security withholding the amount from my check?** | * By law, income-related monthly adjustment amount (Part D-IRMAA) for prescription drug coverage must be withheld from Social Security, Railroad Retirement Board or Office of Personnel Management benefit checks unless the monthly payment is not enough to cover the entire amount owed. * If your check is not enough to cover the entire amount, you will get a bill from Medicare. * Remember that this amount due is separate from your monthly plan premium. * In this case your federal benefit check is not enough to cover the plan premium and Part D-IRMAA amounts due, so Medicare has sent you a direct bill. * For more information about the Part D-IRMAA withholdings from your benefit check, visit <https://www.ssa.gov/medicare>, call 1-800-772-1213, or visit your local Social Security office.   + TTY users should call 1-800-325-0778. * For more information about the bill you received from CMS, visit Centers for Medicare and Medicaid Services resources are available at <http://www.medicare.gov/> or by calling 1-800-MEDICARE (1-800-633-4227).   + TTY 1-877-486-2048. | |
| **Can I pay my Medicare prescription drug plan premium and my Part D-IRMAA premium together?** | * No. * Individuals pay Part D-IRMAA via:   + Premium withholding through Social Security Administration (SSA), Office of Personnel Management (OPM), or Railroad Retirement Board (RRB).   + Direct bill by Medicare for individuals who do not receive federal benefits or individuals who do not receive enough in benefits to cover the Part D-IRMAA.   + Direct bill by Railroad Retirement Board for individuals receiving Railroad Retirement benefits.   **Note:** If beneficiary erroneously pays the Part D-IRMAA amount to the plan, the plan is not expected to send the amount to CMS.   * Beneficiaries should be instructed to pay the Part D-IRMAA amount to the address that is included on the coupon in the letter they receive from CMS. * Overpayments sent to the plan will be allocated to a future premium. | |
| **I sent my Part D-IRMAA payments to the plan.**  **Why does Medicare say I did not pay?** | * You are required by law to pay the Part D-IRMAA in addition to your plan premium. * The Part D-IRMAA is not paid to your plan. * You should have received a bill from Medicare telling you how much you owe for Part D-IRMAA. * If you send the payment to the plan, you have not paid the Part D-IRMAA. * Please pay that amount to CMS right away to keep your coverage.   **Note:** If beneficiary erroneously pays the Part D-IRMAA amount to the plan, the plan is not expected to send the amount to CMS.   * Beneficiaries should be instructed to pay the Part D-IRMAA amount to the address that is included on the coupon in the letter they receive from CMS. * Overpayments sent to the plan will be allocated to a future premium. | |
| **I was told by Social Security that I have to pay Part D-IRMAA.**  **I disenrolled from a Medicare prescription drug plan earlier this year and joined a different Medicare prescription drug plan during the same year.**  **Do I still have to pay the Part D-IRMAA?** | Yes, you are required to pay the Part D-IRMAA for the months within the year that you have Medicare Part D coverage. | |
| **Will an individual be charged the Part D-IRMAA if they do not have a Medicare prescription drug plan?** | * If an individual does not have or no longer has Medicare prescription drug coverage, they should not be charged Part D-IRMAA. * However, if someone did not pay the Part D-IRMAA that was owed before disenrolling from their prescription drug coverage, they are responsible for the past due amount. | |
| **If someone is disenrolled for non-payment of Part D-IRMAA, what can they do?** | * Upon notification of the disenrollment, individuals can call Medicare to request reinstatement. * When an individual prospectively enrolls using Good Cause Reinstatement, the past due Part D-IRMAA amounts will be billed by Medicare and the individual will once again be required to pay the past due amounts and the current Part D-IRMAA monthly amount in full. * If an individual does not want a gap in coverage and asks for a retroactive enrollment or reinstatement, these cases should be referred to Medicare at **1-800-MEDICARE**. | |
| **How can you help those who contact you about Part D-IRMAA?** | * Urge individuals to pay their owed Part D-IRMAA amounts in full right away and require them to pay Part D-IRMAA to maintain Part D coverage. * Provide beneficiaries with the ability to re-enroll prospectively using Good Cause Reinstatement, if they qualify, to maintain Part D coverage. * If beneficiaries indicate, they have not received any letters or bills about Part D-IRMAA:   + Verify the beneficiary’s address listed in MARx.   + Encourage beneficiaries to update their address with Social Security when applicable. | |
| **What happens if an individual does not pay their Part D-IRMAA?** | * Medicare has a 3-month grace period for billing of the Part D-IRMAA. * If an individual does not pay the Part D-IRMAA owed amounts in full by the due date of the third bill, s/he will be disenrolled from their Part D plan, even if it is a MA-PD. * CMS will notify the sponsor of the disenrollment due to non-payment of Part D-IRMAA and send notification Exhibit 21a within 10 calendar days of receiving the disenrollment transaction from CMS. * Individuals in Employer Group Health Plans (EGHPs) will also be disenrolled. This means that they may also lose their retirement or other benefits through the employer, and they may not be able to get this coverage back, as the employer must agree to allow them to become a beneficiary of their group. | |
| **3** | Ask if there are any other benefit questions. | | |
| **If…** | **Then…** | |
| Yes | Address any benefit issues, then document and close the call according to existing policies and procedures. Refer to [Compass - Call Documentation 050011](https://thesource.cvshealth.com/nuxeo/thesource/#!/view?docid=0296717e-6df6-4184-b337-13abcd4b070b) and [Compass MED D - Call Documentation Job Aid](https://thesource.cvshealth.com/nuxeo/thesource/" \l "!/view?docid=433711aa-8fa6-447c-872b-bd69cd6cd7c0). | |
| No | Document and close the call according to existing policies and procedures. Refer to[Compass - Call Documentation 050011](https://thesource.cvshealth.com/nuxeo/thesource/#!/view?docid=0296717e-6df6-4184-b337-13abcd4b070b) and [Compass MED D - Call Documentation Job Aid](https://thesource.cvshealth.com/nuxeo/thesource/#!/view?docid=433711aa-8fa6-447c-872b-bd69cd6cd7c0). | |

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| Disenrollment for Non-Payment of Part D-IRMAA |

In the event an enrollee fails to pay the Part D-IRMAA, CMS will disenroll the beneficiary after a grace period and appropriate billing has occurred.

CMS will inform the plan when a beneficiary is being involuntarily disenrolled for failure to pay Part D- IRMAA. Plans will send letter **21a** within **10 calendar days** of receiving the disenrollment transaction from CMS.

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| **Step** | **Action** | |
| **1** | When a beneficiary calls about being disenrolled, the CCR should validate why the beneficiary was disenrolled by:   * Clicking on the **Medicare Part D Landing Page** tab in Compass. * On the **Eligibility and Plan** tab, verify the Disenrollment Application date in the **Disenrollment Application Date** field. * Clickon the **Medicare D Alerts, View All** hyperlink to review notes pertaining to the beneficiary’s disenrollment. | |
| **2** | Once it has been verified that the disenrollment is related to Non-Payment of Part D-IRMAA, refer to:   * [Compass MED D SilverScript – Process for Good Cause Determinations for Non-payment of Part D-IRMAA](https://thesource.cvshealth.com/nuxeo/thesource/" \l "!/view?docid=be7314b7-c0f7-4f6b-ada6-7e9267b1852b) * [MED D Blue MedicareRx (NEJE) – Process for Good Cause Determ for Nonpay of IRMAA](C:\\Users\\C337799\\Downloads\\CMS-PRD1-114384) | |
| **3** | Ask if there are any other benefit questions. | |
| **If…** | **Then…** |
| Yes | Address any benefit issues, then document and close the call according to existing policies and procedures. Refer to [Compass - Call Documentation 050011](https://thesource.cvshealth.com/nuxeo/thesource/#!/view?docid=0296717e-6df6-4184-b337-13abcd4b070b) and [Compass MED D - Call Documentation Job Aid](https://thesource.cvshealth.com/nuxeo/thesource/" \l "!/view?docid=433711aa-8fa6-447c-872b-bd69cd6cd7c0). |
| No | Document and close the call according to existing policies and procedures. Refer to[Compass - Call Documentation 050011](https://thesource.cvshealth.com/nuxeo/thesource/#!/view?docid=0296717e-6df6-4184-b337-13abcd4b070b) and [Compass MED D - Call Documentation Job Aid](https://thesource.cvshealth.com/nuxeo/thesource/#!/view?docid=433711aa-8fa6-447c-872b-bd69cd6cd7c0). |

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| Resolution Time |

Implementation = January 1, 2012

Information = immediately

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| Related Documents |

**Parent SOP:** CALL-0048: [Medicare Part D Customer Care Call Center Requirements-CVS Caremark Part D Services, L.L.C.](https://policy.corp.cvscaremark.com/pnp/faces/SecureDocRenderer?documentId=CALL-0048&uid=pnpdev1)

**Abbreviations/Definitions:** [Abbreviations / Definitions](file:///C:\Users\C337799\Downloads\CMS-2-017428)

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