Understanding the Extended Period of Medicare Coverage (EPMC)

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Introduction to the Extended Period of Medicare Coverage (EPMC)

The Ticket to Work and Work Incentives Improvement Act of 1999 made an important change to the Medicare program for working beneficiaries with disabilities. It significantly extended the amount of time beneficiaries who lose entitlement because of substantial work may receive Medicare. The rule, referred to as the Extended Period of Medicare Coverage (EPMC), applies to anyone who currently has Medicare coverage based on disability benefits, provided that the disabling condition continues. Social Security made some additional changes to and clarifications of the EPMC several years after the Ticket legislation passed. The following rules became effective on November 23, 2004:

“If an individual’s entitlement to disability benefits ends because he or she engaged in, or demonstrated the ability to engage in Substantial Gainful Activity after the 36 months following the end of the trial work period, Medicare entitlement continues until the earlier of the following:

The last day of the 78th month following the first month of Substantial Gainful Activity occurring after the 15th month of the individual’s re-entitlement period or, if later, The end of the month following the month the individual’s disability benefit entitlement ends.”

Centers for Medicare & Medicaid Services 42 CFR, Part 406, Federal Register: September 24, 2004 (Volume 69, Number 185, Pages 57224-57225).

While this might sound complicated, in practice it’s actually fairly straightforward. To begin with, CWICs need to understand that the EPMC involves several key time periods:

- The end of the TWP;
- The first 15 months of the EPE;
The cessation month; and
• The 78 months of the EPMC.

In the opening paragraph the statement was made that the EPMC provided at least 93 months of coverage after the end of the TWP, and this 93-month figure is derived from the time periods listed above. Historically, Medicare coverage only extended to 15 months of the EPE. Congress has extended this original 15-month rule several times over the years, but because of the way the laws are written, Social Security has to use this original limit when counting months for EPMC purposes. Because of this, under the current EPMC rules, coverage will never begin earlier than the 16th month of the EPE.

The current rules added 78 months of Medicare coverage after this original 15 months for a total of at least 93 months. The 93-months number represents the fewest number of months a person will have Medicare if his or her cash benefit stops due to work and he or she continues to have a disability. The period can be longer (and often is much longer) depending on when the cessation month occurs.

**Cessation prior to 14th month of EPE:** If cessation occurs prior to the 14th month of the EPE, there are two possibilities for when the EPMC will end:

1. If SGA also occurs in the 16th month of the EPE, the EPMC will end 93 months after the TWP ends. The beneficiary must continue to have a disability throughout this period.

2. If SGA doesn’t also occur in the 16th month of the EPE, EPMC will end 78 months from the first SGA month that occurs after that 16th month. The beneficiary must continue to have a disability throughout this period.

**Cessation on or after the 14th month of the EPE:** If cessation occurs on or after the 14th month of the EPE, EPMC will end 78 months after the Grace Period. The beneficiary must continue to have a disability throughout this period.

**Example of EPMC lasting only for the minimum of 93 months:**

Kali goes to work in January 2009. Kali completes his Trial Work Period in September 2009. His cessation month occurs in December 2009, prior to 14th month of the EPE. Kali continues to earn above SGA for the next 10 years. Kali’s Medicare benefits terminate after the 36-month EPE, but he has EPMC for 93 months from the end of his TWP.

What would make Kali’s Medicare continue past those first 93 months?
If Kali became entitled to payments again during the EPE, and continued to be due payments indefinitely, his Medicare would also be indefinite.

If Kali stopped working and requested Expedited Reinstatement, or reapplied for benefits within five years of termination, his Medicare would also last longer than 93 months.

Predicting the exact end of the EPMC is impossible unless three events have occurred:

- The TWP has ended;
- Cessation has occurred; and
- The person is past the 16th month of the EPE.

An important point for CWICs to emphasize is that as long as a beneficiary remains entitled to Title II disability payments, Medicare coverage will continue. If an individual completed his or her TWP and more than 15 months have passed since that time, then Medicare eligibility will continue for at least 78 months after the last cash payment is due.

**Examples of EPMC lasting longer than 93 months:**

**Example 1:** Connie started working in March 2009 earning above the Trial Work Period threshold but below SGA. In month 30 of her EPE she began doing SGA-level work. Connie’s Medicare will last at least 78 months after the last grace month. If she is re-entitled, however, she will have Medicare as long as she is due a payment, even if it’s for the rest of her life.

**Example 2:** Kelly completed her Trial Work Period in 1991. She has worked since then, but has never performed Substantial Gainful Activity. Kelly will continue to have Medicare as long as she is entitled to a disability payment. When she performs SGA, she would be due payments for her cessation and grace months, and then she would have Medicare at least another 78 months through the EPMC.

Keep in mind that it’s impossible to know exactly when a beneficiary’s EPMC would end if the beneficiary hasn’t yet engaged in SGA. The EPMC months don’t begin to count until the TWP is over, SGA work has occurred, and Social Security has established the cessation month.

It’s important to understand that the EPMC is a work incentive for Title II disability beneficiaries. It’s afforded to individuals who have lost cash benefits due to work. It’s NOT a way to keep Medicare when beneficiaries lose benefits due to medical recovery. People in the
EPMC must still meet the Social Security disability requirement, even though these individuals may not be due cash payments.

**EPMC Complications**

When advising beneficiaries about Medicare continuation, remember that Social Security is the only place to find out how long the coverage will last. The beneficiary may not know when or if the TWP ended, whether cessation has occurred, or even that work should have caused benefit termination. Some beneficiaries may have used most or all of their EPMC in the past without even realizing it.

Because performance of Substantial Gainful Activity is so important to the length of time someone has EPMC, CWICs should always remember that SGA is a decision, and work that appears to be SGA may not end up being SGA. For example, someone may begin performing work at a high enough level that, at first, may appear to be SGA. SGA, however, represents sustained work effort valued above a certain amount. Thus, if the work effort is short, and ends because of the person’s disability, the person may actually have an Unsuccessful Work Attempt. Social Security makes this determination. In these situations, Social Security may go back and reverse the cessation, because the person wasn’t performing SGA, which could have a direct impact on calculating the end of the EPMC.

**Extended Medicare and Expedited Reinstatement**

Because the EPMC is a work incentive, people must still meet the medical disability criteria for Social Security to entitle them. This creates a potential risk for individuals who request Expedited Reinstatement (EXR). There are two standards Social Security uses to determine disability status. One, used for new applications, is tougher because the burden of proof lies with the applicant. The other standard, called the Medical Improvement Review Standard (MIRS), Social Security uses in both medical Continuing Disability Reviews and Expedited Reinstatement.

A request to Social Security for Expedited Reinstatement when Social Security has medically denied the beneficiary is the same as the beneficiary having a medical CDR when receiving benefits and Social Security finding that person to have medically improved. When medical improvement occurs, all work incentives, including the EPMC, stop. If losing Medicare is a concern, the person may want to reapply for benefits instead of requesting Expedited Reinstatement. Denial of a reapplication wouldn’t affect Medicare entitlement, because the application process uses a different disability standard. The decisions aren’t equivalent.
Medicare Premiums during the EPMC

Under the EPMC provision, Medicare Part A continues to be premium-free, while Medicare Part B, C, and D continue to have a monthly premium. Beneficiaries usually pay their Medicare Part B premiums by having Social Security deduct them from cash benefits. When no cash benefits are payable, the person receives a bill for Medicare premiums every quarter. Beneficiaries need to be financially prepared for this, because the quarterly billing is for three months in advance! It’s possible to have the premiums deducted from a checking or savings account every month, but beneficiaries need to have a sufficient amount saved to pay this premium each quarter. If a beneficiary has an employer group health plan, or is covered by an employer group health plan from a spouse’s work, he or she may wish to opt out of the Medicare Part B coverage until:

- The beneficiary’s or spouse’s employment stops;
- The beneficiary’s or spouse’s insurance becomes secondary to Medicare; or,
- The insurance coverage terminates.

In these circumstances, eligible individuals can re-enroll for Medicare Part B coverage during the Special Enrollment Period (SEP). If the individual’s request for Medicare Part B falls outside the SEP, it may be possible that the beneficiary could have a premium surcharge penalty. The beneficiary should check with the employer-sponsored health plan before opting out of Part B, as some plans require a person to keep Part B.

Another common scenario is that the person may be eligible for financial assistance with the Part B premium, such as through a Medicare Savings Program. A person using EPMC to maintain Medicare will have lost the Title II benefit check, which means he or she potentially has countable income low enough to continue getting help through the Medicare Savings Program. In this case, the beneficiary won’t have to pay the Part B premium.

CWIC Responsibilities in EPMC Cases

EPMC can be very complex. A CWIC may not have enough information about the person’s work history, nor sufficient expertise to determine the exact end of the EPMC. In addition, a CWIC can’t predict the future. Will the person again become entitled to benefits? Will there be a decision of medical improvement? Will the individual keep working? The best plan is to stress the positive aspects of the EPMC in general terms. The points CWICs need to make are:

- Medicare will continue for AT LEAST 93 months after the TWP ends no matter how much a beneficiary earns. CWICs should communicate this to beneficiaries who are still within the first 15 months of their EPE.
• Beneficiaries currently entitled to Medicare will have AT LEAST 78 months of Medicare coverage after cash benefits end due to SGA level employment. CWICs should communicate this to beneficiaries who are outside the first 15 months of the EPE and didn’t cease during the first 15 months.
• Individuals who work but who never engage in SGA will maintain their Medicare coverage simply because of ongoing receipt of the cash benefit.

**Conducting Independent Research**

DI 28055.001 Extended Period of Eligibility (EPE) and Related Medicare Provisions - General
https://secure.ssa.gov/apps10/poms.nsf/lnx/0428055001

HI 00801.164 Medicare Entitlement During the Provisional Benefit Period – Expedited Reinstatement of Disability Benefits
https://secure.ssa.gov/apps10/poms.nsf/lnx/0600801164

Questions and Answers on Extended Medicare Coverage for Working People with Disabilities
https://www.sosocialsecurity.gov/disabilityresearch/wi/extended.htm

Medicare Wizard - The Disability Medicare Wizard is designed to assist SSA-sponsored benefits planners and advocates in determining when a Title II beneficiary’s EPMC will cease.
http://www.medicarewizard.org/t3.cfm
Extended Period of Medicare Coverage (EPMC) Decision Tree

Did or will cessation occur prior to the 14th month of the EPE?

- **NO:** EPMC work incentive will end 78 months after the Grace Period.

- **YES:** Did SGA occur on the 16th month of the EPE?
  
    - **NO:** EPMC work incentive will end 78 months from the first SGA month following the 16th month of the EPE
    
    - **YES:** EPMC work incentive will end 93 months after the TWP

EPMC work incentive will end 93 months after the TWP.