



Press Release

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Report: SSA OIG Estimates Millions in Incorrect Medicare Part B Premium Penalties Due to Processing Errors *Thousands Overcharged Due to Medicare Enrollment Errors*

The Social Security Administration Office of the Inspector General (SSA OIG) has released an audit report finding that errors in processing Medicare Part B applications led to incorrect premium penalty assessments for thousands of beneficiaries.

The audit reviewed a random sample of 200 applications and found that SSA employees accurately processed 177, but did not accurately process the remaining 23. As a result, SSA improperly assessed approximately \$24,000 in Part B premium penalties within the sample.

Based on these results, SSA OIG estimates SSA employees did not accurately process about 12,000 beneficiaries' applications, leading to approximately \$12 million in incorrectly assessed Part B premium penalties. The review population included more than 101,000 beneficiaries who enrolled in Part B during the 2023 and 2024 General Enrollment Periods and were assessed late enrollment penalties.

"We found SSA did not always process Medicare Part B applications accurately, which may have resulted in thousands of beneficiaries being incorrectly assessed premium penalties," said Michelle L. Anderson, Assistant Inspector General for Audit as First Assistant. "Accurate processing is essential to ensuring American taxpayers are not overcharged for their Medicare coverage."

The audit determined that these errors occurred, in part, because SSA employees did not consistently consider key eligibility factors, including Group Health Plan coverage, lawful presence and residency requirements, and applicable enrollment periods and exceptions.

SSA OIG also found that Medicare notices did not clearly explain Part B late enrollment penalties. While enrollment notices included total premium amounts, they did not provide detailed penalty information, and notices to beneficiaries who refused enrollment in Part B did not clearly explain the consequences of delaying or refusing enrollment.

"We also identified opportunities for SSA to improve how it communicates important enrollment information to beneficiaries," Anderson said. "Clear and complete information helps individuals make informed decisions and avoid unnecessary costs."

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SSA OIG made recommendations to update systems, strengthen controls, and take corrective actions on affected accounts. SSA agreed with the recommendations.

Read the full report [here](#).

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