

TN 12 (05-02)

GN 00206.020 Withdrawal (WD) Considerations When Hospital Insurance (HI) is Involved

A. Background

1. Before 1/1/81

Prior to 1/1/81 an individual age 65 or over had to be entitled to monthly retirement or survivors insurance (RSI) benefits to qualify for HI. Therefore, an individual who withdrew his/her application for monthly benefits lost HI entitlement.

2. Effective 1/1/81

P.L. 96-473 modified the law to provide that an individual 65 or over who filed an application for monthly RSI benefits and HI, is deemed to have filed separate applications for cash benefits and HI coverage. In addition, the individual is deemed entitled to HI based on the date of an original application for monthly benefits which was subsequently withdrawn.

P.L. 96-473 applies only to those claimants who are age 65 or over. It does not apply to:

- Disability (i.e., DIB or disability freeze) applicants; or
- Childhood disability beneficiaries (CDBs), disabled widow(er)s (DWBs) or disabled surviving divorced spouses.

NOTE: Once the disability beneficiaries listed above attain age 65, the exclusion no longer applies.

B. Policy

The claimant can withdraw an application for:

- RSI cash benefits only;
- RSI cash benefits and HI coverage (see [HI 00801.022](#) and [GN 00204.021](#) for an explanation of these benefits); or
- Medicare Only (See [HI 00801.008](#), [HI 00801.145](#), [HI 00801.197](#)).

However, a claimant who is entitled to monthly RSI benefits cannot withdraw HI coverage only since entitlement to HI is based on entitlement to monthly RSI benefits (see [HI 00801.002](#)). If a numberholder (NH) filed before age 65 so that his/her spouse would be entitled to HI, and later withdraws the application, the spouse will retain HI entitlement regardless of whether the initial entitlement was before or after 1/1/81.

EXAMPLE 1

In 6/96 a NH (age 62) who was working full-time elected benefits so that his wife, age 66, could be entitled to HI based upon RSI cash benefits. In 12/99, the NH withdrew his application. He kept his HI entitlement which began in 6/99 at age 65, and his wife maintained her HI entitlement which began in 6/96.

EXAMPLE 2

A spouse or survivor beneficiary in a Government Pension Offset (GPO) situation may choose to withdraw the cash benefit portion of his/her RSI claim, to establish entitlement as a Medicare only beneficiary; this would permit deduction of the supplementary medical insurance premium (SMI) from his/her Civil Service annuity. (See [HI 00801.022](#), [HI 00801.027](#), [HI 00801.032](#), [HI 00805.245](#) and [HI 01001.190](#) for HI application requirement, taking a HI claim, establishing HI entitlement, SMI enrollment for civil service annuitants, and SMI premiums for a spouse when GPO is involved respectively.)

C. Procedure

Field offices must determine which application(s) the person wants to withdraw. The conditions for approval of the WD request depend upon the specific entitlement the person wants to nullify.

Follow [GN 00204.021](#) and [HI 00801.027](#) if the person wants to withdraw the application for monthly benefits and keep HI coverage. (See [GN 00206.145](#) for notice requirements.) There is no need to repay any HI benefits, which have already been paid on the person's behalf since the person is not withdrawing the application for HI coverage.

Make sure that the WD request clearly states whether the person wants to include HI coverage in the scope of the WD (see [GN 00204.020](#) for scope of the application). If the claimant wishes to withdraw both RSI and HI coverage, specify the person's reasons for withdrawing HI coverage.

Follow [GN 00206.095B.1.c.](#) if the person applied for HI coverage **only**, but after effectuation wants to withdraw the application.

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