



MEDICARE RIGHTS

MEDICARE
Interactive

Making Medicare Part D enrollment decisions

If you are considering delaying Part D enrollment because you already have prescription drug coverage, find out whether you will face a late enrollment penalty (LEP) if you sign up for Part D later. It's also important to know whether you will have a Part D Special Enrollment Period (SEP), so you can enroll in a Part D plan outside of the Fall Open Enrollment Period. Below are two steps to help you decide if delaying Part D is the best choice for you.

1. Find out if your current drug coverage is creditable.

Creditable drug coverage is “actuarially equivalent to” or, on average, as good as or better than the basic Part D benefit. You should receive a notice from your employer or plan around September of each year, informing you if your drug coverage is creditable. If you have not received this notice, contact your human resources department, drug plan, or benefits manager. Be aware that this information may not come as a separate piece of mail; it can be included with other materials, such as a plan newsletter. Maintaining enrollment in creditable drug coverage means you will not incur the LEP for delaying Medicare enrollment.

2. Learn if you have a SEP.

SEPs for Part D are different from those for premium Part A and Part B. If you have drug coverage from your or your spouse's current work, you have a Part D SEP that allows you to sign up for Part D for up to two full months after the month that you lose that job-based insurance. However, if your drug coverage is not creditable, you may still incur the LEP. You also have a two-month SEP if you lose other creditable drug coverage, which may include retiree drug coverage.

If you have no drug coverage, or have drug coverage that is not creditable, Part D may help you. Even if you do not take prescription drugs, it is important to enroll in Part D so that if you later need to access prescriptions you do not face penalties or gaps in coverage.

Remember, if you decide to delay enrollment in any part of Medicare, keep a record of your insurance until you enroll in Medicare. You may need this documentation to sign up for Medicare later.