

Medicare Part D -- Prescription Drug Coverage

This coverage is not automatic. It is not a Government Funded Insurance Plan. You must enroll in Medicare Part A or Part B, or both Parts A & B to qualify for it. It is not free. You must pay for it. A variety of plans is offered. The premium asked depends on where you live, and the plan you choose.

- There are three classes of enrollment period; initial, special and the annual coordinated election period.
- The **initial enrollment period** starts in the third month prior to the month containing your 65th birthday, and extends to the end of the third month following it. (Unless you were born on the first of a month, in which case it starts and ends a month earlier)
- A **special enrollment period** starts when you involuntarily lose creditable prescription drug coverage under an employer or union sponsored plan. (Not all drug coverage provided under such plans is “creditable”. A voluntary change of plan at open enrollment is **not** a triggering event.)
- If your current employer/union prescription drug coverage is creditable, and if you **involuntarily** lose the coverage, you may join a Medicare drug plan without prejudice providing its effective date is within 60 days of your coverage end date.
- If you do not enroll during either your initial enrollment period or a special enrollment period, or have voluntarily dropped creditable prescription drug coverage, you may enroll during any **annual coordinated election period**. An annual coordinated election period starts on the 15th of October each calendar year, and runs to the 7th of December.
- If you enroll or re-enroll in a Medicare drug plan during an annual coordinated election period or special election period, and have had a period of 63 days or longer without prescription drug coverage that is creditable (i.e. which expects to pay at least as much as Medicare's coverage), you will have to pay a permanent penalty when you do enroll of 1% of the premium charged for each 30 day period, starting when you first became eligible for this benefit, during which you have not had creditable prescription drug coverage.

The information in this document is intended to reflect legislation in effect as of the date it was prepared. It is not legal advice, and is not to be taken as complete or comprehensive.