

Guide for Members

What is a Late Enrollment Penalty for Part D?



According to CMS, the late enrollment penalty (also called the “LEP” or “penalty”) is an amount that may be added to a person’s monthly premium for Medicare drug coverage (Part D).

A person enrolled in a Medicare Advantage plan may owe a late enrollment penalty if they go without Part D or other creditable prescription drug coverage for any continuous period of 63 days or more after the end of their Initial Enrollment Period for Part D coverage.

Generally, the late enrollment penalty is added to the person’s monthly Part D premium for as long as they have Medicare drug coverage, even if the person changes their Medicare plan. The late enrollment penalty amount changes each year. The cost of the late enrollment penalty depends on how long the person went without Part D or other creditable prescription drug coverage. You will have to pay this penalty for as long as you have a Medicare drug plan.

3 Ways to Avoid the Late Enrollment Penalty:

1. Enroll in Medicare drug coverage **when you are first eligible.**
2. Enroll in Medicare drug coverage **if you lose other creditable coverage,** such as a drug plan from a current or former employer, or individual health insurance coverage.
3. **Keep records** showing you had creditable drug coverage and tell your plan when they ask about it.

