

Late Enrollment Penalty

Answering Your Questions

wellcare

Let's take a look at what a Late Enrollment Penalty is, how it affects your Medicare premium, and how we can help you, as a plan member, file an appeal, if you believe you shouldn't receive a penalty.



What is a Late Enrollment Penalty?

A Late Enrollment Penalty is an amount that's permanently added, by Medicare, to your drug coverage (Part D) premium. When first becoming eligible for Medicare, if at any time you go 63 days or more, in a row, without Part D prescription drug coverage, or if there's a break in your Part D coverage, you may owe a Late Enrollment Penalty.



What Does Medicare Accept as Creditable Prescription Drug Coverage?

There are several sources Medicare recognizes for creditable drug coverage. They include:

- ✓ Being enrolled in a Part D prescription drug plan or through your Medicare Advantage plan, if it includes prescription drug coverage
- ✓ Your current or former employer
- ✓ Union
- ✓ TRICARE
- ✓ Indian Health Service
- ✓ Department of Veterans Affairs
- ✓ CHAMPVA
- ✓ Private Insurer

Keep any letters, notices, newsletters or other details you receive from these sources. You may need them to prove your creditable prescription drug coverage. Any document must state you had creditable prescription drug coverage which pays as much as Medicare's standard prescription drug plan. Prescription drug discount cards, free clinics, and drug discount websites are not considered creditable prescription drug coverage.

Visit [Medicare's website](#) for more details on how to avoid a Part D Late Enrollment Penalty.



How Long Do I Have to Pay a Late Enrollment Penalty?

The penalty stays with you as long as you have Medicare, unless you receive a low-income subsidy called Extra Help.



How Much is the Late Enrollment Penalty?

The longer you go without prescription drug coverage, the higher your Late Enrollment Penalty.



How is the Penalty Calculated?

First, use the national base premium determined by Medicare. For this example, we'll use \$32.74.

Second, determine the number of full months you didn't have prescription drug coverage from a Medicare-approved source. For example, six months. For each full month without prescription drug coverage the penalty is one percent. Six months without coverage equals a six percent penalty.

Multiply the base beneficiary premium (\$32.74) times the penalty percentage (6 percent). $\$32.74 \times 6\% = \1.96 . Medicare rounds the penalty to the nearest ten cents. For this example, the monthly penalty is \$2.00.



Does the Penalty Amount Change?

Yes. The penalty may change each year, because the average monthly premium can change each year. If you are under 65 and currently receiving Medicare benefits, the Part D late enrollment penalty will reset when you turn 65. After age 65, your Part D late enrollment penalty will be based only on the months that you don't have coverage after your initial enrollment period for aging into Medicare.



Does the Penalty Go Away if I Change Plans?

No. Regardless of the health plan or company you choose, you will continue to pay a penalty every month for as long as you are enrolled in a plan that has Medicare Part D drug benefits. The only exception is if you receive a low-income subsidy called Extra Help.



Can I File an Appeal?

Yes, we can help. Contact Member Services using the phone number on the back of your Member ID card between 8 a.m. to 8 p.m. seven days a week from October 1 - March 31 and Monday through Friday from April 1 - September 30.

Or, if you want to submit your appeal in writing, you can visit member.wellcare.com to print, fill out, and mail the verification form.



Is There a Deadline to File an Appeal?

Yes. You, or your representative, must submit your request either over the phone or in writing within 60 days of the date on the Late Enrollment Penalty letter you received. However, if you were paying a penalty before joining our plan, you may not have another chance to request a review of that Late Enrollment Penalty.



When Will I Receive a Decision About My Appeal?

Medicare will review your appeal, most likely within 90 days. During this period, continue paying the monthly Late Enrollment Penalty. Medicare will determine if the penalty is going to change and will send you a letter explaining their decision.

Based on their favorable decision, we will remove or reduce your Late Enrollment Penalty and send you a letter showing the correct premium amount. We will also explain whether you will receive a refund.

If Medicare decides your Late Enrollment Penalty is correct, you will be sent a letter explaining the decision, and you must continue paying the penalty. You can pay online, after registering on our secure member portal. Or, discuss payment options by calling Member Services, TTY users can dial **711** between 8 a.m. to 8 p.m. seven days a week from October 1 - March 31 and Monday through Friday from April 1 - September 30.