



Quick Facts about Medicare's Coverage for Prescription Drugs for People who Have Prescription Coverage from an **Employer or Union**

Medicare offers prescription drug coverage to everyone with Medicare. Whether you are currently employed or retired, it's important to understand how your employer or union drug coverage works with Medicare prescription drug coverage before you make any decisions about your prescription drug coverage.

There are three times when you may have to make choices about your employer/union drug coverage and Medicare drug coverage:

1. When you first become eligible for Medicare
2. From November 15–December 31 each year
3. When your employer/union coverage changes or ends

What do I need to know?

- Your employer or union will let you know how your current drug coverage will work with Medicare drug coverage. You may be able to keep the drug coverage you have. Or, you may want to join a Medicare drug plan instead of, or in addition to, your current employer or union drug coverage.
- Your employer or union will send you a “Creditable Coverage” disclosure every year letting you know how your current drug coverage compares to standard Medicare drug coverage. You might get this Creditable Coverage disclosure in the mail, in a newsletter, or by email. If you don't get this information, ask your employer or union for it.
- If your employer or union has determined that your current drug coverage is creditable, this means that on average, it expects to pay as much as standard Medicare drug coverage.



Why is creditable coverage important?

- If your current drug coverage is **creditable**, you won't have to pay a late-enrollment penalty (higher premium) if you wait to join a Medicare drug plan after you are first eligible.
- If your current drug coverage is **not creditable**, you may want to consider joining a Medicare drug plan. If you don't have creditable coverage and you wait to join a Medicare drug plan until after you are first eligible, your monthly premium will go up at least 1% for every month you waited to join. You may also have to wait to join a Medicare drug plan until November 15–December 31.
- Remember, if you don't get information about whether your current drug coverage is creditable or not, you have a legal right to ask your employer or union for it.

CAUTION: In some cases, changing your employer/union drug coverage might also affect any employer/union health coverage you or your family get. Talk to your employer or union's benefits administrator before you make any decisions about your drug coverage.

How can I get more information?

- The best source of information about your current drug coverage is the communications you get from your employer or union. If you have questions, contact your employer or union's benefits administrator. Medicare doesn't have information about how your current employer/union drug coverage will work.
- Information about Medicare drug coverage and the Medicare drug plans available in your area is available by visiting www.medicare.gov on the web. Under "Search Tools," select "Compare Medicare Prescription Drug Plans." You can also look in your copy of the "Medicare & You" handbook or call 1-800-MEDICARE (1-800-633-4227). TTY users should call 1-877-486-2048.
- You can call your State Health Insurance Assistance Program to get personalized counseling about your choices. To get their telephone number visit www.medicare.gov on the web. Under "Search Tools," select "Helpful Telephone Numbers and Websites." Or call 1-800-MEDICARE (1-800-633-4227).
- Look for local Medicare-related events.