



Quick Facts about Medicare Prescription Drug Coverage for People Who Have Drug Coverage from an **Employer** or **Union**

Medicare offers prescription drug coverage to everyone with Medicare. Whether you're currently employed or retired, it's important to understand how your employer or union drug coverage works with Medicare 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 October 15–December 7 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 and also join a Medicare drug plan. Or, joining a Medicare drug plan may cause you to lose the drug coverage you have and possibly the medical coverage too. This loss of coverage might also apply to your dependents.
- Your employer or union will send you a “Creditable Coverage” disclosure each year, letting you know how your current drug coverage compares to standard Medicare drug coverage. You may get the 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're first eligible.
- If your current drug coverage **isn't 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're 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 October 15–December 7.
- 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 or dropping your employer or union drug coverage might also affect any employer/union medical 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 or union drug coverage will be affected by your enrollment in a Medicare drug plan.
- Information about Medicare drug coverage and the Medicare drug plans available in your area is available by visiting www.medicare.gov/find-a-plan.
- You can also look in your copy of the "Medicare & You" handbook. You can view or print the handbook at www.medicare.gov/Publications, or call 1-800-MEDICARE (1-800-633-4227) and ask for a copy. TTY users should call 1-877-486-2048.
- You can call your State Health Insurance Assistance Program (SHIP) to get personalized counseling about your choices. To get their phone number, visit www.medicare.gov/contacts or call 1-800-MEDICARE.