Part D late enrollment penalty (LEP)

If you were without Part D or creditable drug coverage for more than 63 days while eligible for Medicare, you may have a Part D late enrollment penalty (LEP) when you enroll in Part D.

Creditable coverage may include coverage from:
- An employer or union plan,
- A retiree plan
- Veteran’s Affairs (VA) benefits.
- Federal Employee Health Benefit (FEHB) plans
- Qualified Health Plans (QHPs) from the federal or state marketplace

You can find out whether your coverage is creditable by contacting your plan. The penalty is 1% of the national base beneficiary premium ($32.74 in 2020) for every month you did not have Part D or creditable drug coverage while eligible for Part D. This amount is added to your monthly Part D premium.

Here’s an example:

Ms. M turned 65, became eligible for Medicare, and did not enroll in Part D. She went 13 months without coverage. She also did not have another form of creditable drug coverage. When Ms. M enrolls in Part D, she will have a $4.25 penalty that she will pay on top of her monthly premium ($32.74 x 1% = $0.3274 x 13 = $4.25).

Appealing the Part D late enrollment penalty (LEP)

You have the right to file an appeal regarding your LEP determination. You can appeal the penalty or its amount.

You should complete the appeal form you received from your plan and attach any evidence you have, including evidence of past coverage like copies of insurance cards or premium bills.
You should mail everything to:

**MAXIMUS Federal Services**  
3750 Monroe Avenue, Suite 704  
Pittsford, NY 14534-1302  
Customer Service Number: 585-348-3400

Being unaware of the requirement to have prescription drug coverage is unlikely to be a successful basis for an appeal. However, the following may result in the elimination or reduction of a penalty:

- Showing that you have Extra Help, the federal program that helps with Part D prescription drug costs
- Showing that you had creditable drug coverage during some or all of the time period in question
- Showing that you had non-creditable drug coverage, but your employer or insurer told you it was creditable or didn’t inform you that it was non-creditable
- Showing that you were ineligible for Medicare’s prescription drug plan during the period
- Showing that you couldn’t enroll into creditable drug coverage because of a serious medical emergency

The appeal deadline is 60 days from the date you received the letter informing you about the penalty.

Once the appeal is submitted, you can expect a determination from MAXIMUS within 90 days.