Re: Anthem – Late Enrollment Penalty Letter Sent in Error to 90 Medicare PPO Members

Recently Anthem erroneously sent 90 Medicare PPO members letters stating that their account was delinquent because they have not paid the Late Enrollment Penalty (LEP). They should not have received this notification and their coverage will continue and not cancelled.

Insurance plan coverage for these members will not be cancelled; however, they must enroll in and maintain Part B and D coverage, if Medicare eligible

For members who owe a LEP, UC will cover payment of the penalty for 2018. After 2018: UC reviews its plan designs and policies every year and, if any substantive changes are made (e.g., UC decides to no longer cover LEP costs on behalf of members), we will notify members prior to the effective date of the change. Currently no decision that has been made for 2019 and onwards. If the member believes they should not be charged the penalty, there is a Reconsideration Process available through CMS to have this reviewed. They can visit www.medicare.gov or call 1-800-MEDICARE (1-800-633-4227).

Background on Late Enrollment Penalty
If a Medicare-eligible member either doesn’t sign up for Part B and/or Part D when first eligible OR has a gap in insurance of 63 continuous days or more, CMS will charge an LEP. The member has to pay this monthly penalty for as long as they have Part B and D. The Part B penalty is 10% for each full 12-month period that the member could have had Part B, but didn't. The Part D LEP is 1% times the number of full, uncovered months the member didn't have Part D or other creditable coverage.