

**CAUTION!**

Before cancelling health insurance coverage, enrolled Veterans should carefully consider the risks.

- There is no guarantee that in subsequent years Congress will appropriate sufficient funds for VA to provide care for all enrollment priority groups.
- Non-Veteran spouses and other family members generally do not qualify for VA health care.
- If participation in Medicare Part B is cancelled, it cannot be reinstated until January of the next year, and there may be a penalty for the reinstatement.
- Additional coverage for those Veterans that are medically co-managed by both VA and their local provider.

## Insurance Collections

Since 1986, Veterans' health care services have been supplemented by funds collected from private health insurance companies. This supplement has allowed VA to provide services to numerous additional Veterans.

## Medicare Part D Prescription Drug Coverage/Creditable Coverage

If you are eligible for Medicare Part D prescription drug coverage, you need to know that enrollment in the VA health care system is considered **creditable coverage** for Medicare Part D purposes. This means that VA prescription drug coverage is at least as good as the Medicare Part D coverage. Since only Veterans may enroll in the VA health care system, dependents and family members do not receive credible coverage under the Veteran's enrollment.

However, there is one significant area in which VA health care is NOT creditable coverage: Medicare Part B (outpatient health care, including doctors' fees). Creditable coverage for Medicare Part B can only be provided through an **employer**. As a result, VA health care benefits to Veterans are not creditable coverage for the Part B program. So although a Veteran may avoid the late enrollment penalty for Medicare Part D by citing VA health care enrollment, that enrollment would not help the Veteran avoid the late enrollment penalty for Part B.

VA does not recommend Veterans cancel or decline coverage in Medicare (or other health care or insurance programs) solely because they are enrolled in VA health care. Unlike Medicare, which offers the same benefits for all enrollees, VA assigns enrollees to enrollment priority groups, based on a variety of eligibility factors, such as service-connection and income. There is no guarantee that in subsequent years Congress will appropriate sufficient medical care funds for VA to provide care for all enrollment priority groups. This could leave Veterans, especially those enrolled in one of the lower-priority groups, with no access to VA health care coverage. For this reason, having a secondary source of coverage may be in the Veteran's best interest.

In addition, a Veteran may want to consider the flexibility afforded by enrolling in both VA and Medicare. For example, Veterans enrolled in both programs would have access to non-VA physicians (under Medicare Part A or Part B) or may obtain prescription drugs not on the VA formulary if prescribed by non-VA physicians and filled at their local retail pharmacies (under Medicare Part D).

Additional information on Medicare Part D prescription drug coverage can be found online at the Health and Human Services Medicare website at [www.medicare.gov](http://www.medicare.gov).

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