

## **Important Notice Regarding Your Prescription Drug Coverage and Medicare**

Please read this notice carefully and keep it where you can find it. This notice has information about your current prescription drug coverage through your employer's health plan and about your options under Medicare's prescription drug coverage. This information can help you decide whether or not you want to join a Medicare drug plan. Information about where you can get help to make decisions about your prescription drug coverage is at the end of this notice.

There are three important things you need to know about your current coverage and Medicare's prescription drug coverage:

1. Medicare prescription drug coverage became available in 2006 to everyone with Medicare. You can get this coverage if you join a Medicare Prescription Drug Plan or join a Medicare Advantage Plan (like an HMO or PPO) that offers prescription drug coverage. All Medicare drug plans provide at least a standard level of coverage set by Medicare. Some plans may also offer more coverage for a higher monthly premium.
2. The prescription drug coverage offered under your employer's health plan is, on average for all plan participants, **not** expected to pay out as much as the standard Medicare prescription drug coverage will pay and is considered **non-creditable coverage**. **This is important, because most likely, you will get more help with your drug costs if you join a Medicare drug plan, than if you only have prescription drug coverage from your employer's health plan. This also is important because it may mean that you may pay a higher premium (a penalty) if you do not join a Medicare drug plan when you first become eligible.**
3. You can keep your current employer sponsored health plan. You can keep the coverage regardless of whether it is as good as the Medicare drug plan. **However, because your existing coverage is non-creditable, you have decisions to make about Medicare prescription drug coverage that may affect how much you pay for that coverage, depending on if and when you join a drug plan. When you make your decision, you should compare your current coverage, including what drugs are covered, with the coverage and cost of the plans offering Medicare prescription drug coverage in your area. Read this notice carefully - it explains your options.**

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### **When can you join a Medicare drug plan?**

You can join a Medicare drug plan when you first become eligible for Medicare and each year from October 15<sup>th</sup> through December 7<sup>th</sup>. However, if you decide to drop your current employer sponsored coverage, you will be eligible for a two (2) month Special Enrollment Period (SEP) to join a Medicare drug plan; however you may also pay a higher premium (a penalty) because you did not have creditable coverage under your employer sponsored plan.

**INSERT THE FOLLOWING PARAGRAPH IF THE PLAN HAS CHANGED FROM CREDITABLE TO NON-CREDITABLE:**

Since you are losing creditable prescription drug coverage under your employer sponsored plan, you are also eligible for a two (2) month Special Enrollment Period (SEP) to join a Medicare drug plan.

### **When will you pay a higher premium (penalty) to join a Medicare drug plan?**

Since the coverage under your employer sponsored plan is not creditable, depending on how long you go without creditable prescription drug coverage, you may pay a penalty to join a Medicare drug plan. Starting with the end of the last month that you were first eligible to join a Medicare drug plan but didn't join, if you go 63 continuous days or longer without prescription drug coverage that is creditable, your monthly premium may go up by at least 1% of the Medicare base beneficiary premium per month for every month that you did not have that coverage.

For example, if you go nineteen months without creditable coverage, your premium may consistently be at least 19% higher than the Medicare base beneficiary premium. You may have to pay this higher premium (penalty) as long as you have Medicare prescription drug coverage. In addition, you may have to wait until the following October to join.

### **What happens to your current coverage if you decide to join a Medicare drug plan?**

If you decide to join a Medicare drug plan, your current employer group coverage will coordinate with those benefits in the same manner that it coordinates for all other medical care and services.

If you do decide to enroll in a Medicare prescription drug plan and *drop* your employer sponsored prescription drug coverage, be aware that you may not be able to get this coverage back.

Information about your employer's group health plans and prescription drug benefits is available from the Human Resources Department. In addition to prescription drugs, your current health plan coverage pays for other health expenses, and you will not still be eligible to receive all of your current health and prescription drug benefits if you choose to drop your employer sponsored coverage in favor of enrolling in Medicare and a Medicare prescription drug plan.

Please contact us for more information about what happens to your coverage if you enroll in a Medicare prescription drug plan.

### **For more information about this notice or your current prescription drug coverage:**

Contact our office for further information. NOTE: You will receive this notice each year. You will also receive it before the next period you can enroll in Medicare drug plan, and if this employer sponsored coverage changes. You also may request a copy of this notice at any time.

**For more information about your options under Medicare prescription drug coverage:**

More detailed information about Medicare plans that offer prescription drug coverage is in the “Medicare and You” handbook. You will get a copy of the handbook in the mail every year from Medicare. You may also be contacted directly by Medicare drug plans. For more information about Medicare prescription drug plans:

- Visit [www.medicare.gov](http://www.medicare.gov)
- Call your State Health Insurance Assistance Program (see your copy of Medicare & You handbook for their telephone number)
- Call 1-800-MEDICARE (1-800-633-4227). TTY users should call 1-877-486-2048.

If you have limited income and resources, extra help paying for Medicare prescription drug coverage is available. For information about this extra help, visit the Social Security on the web at [www.socialsecurity.gov](http://www.socialsecurity.gov), or call them at 1-800-772-1213 (TTY 1-800-325-0778).

<b>Fill in <i>YOUR</i> Employer Information Here:</b>	
Date of Notice:	
Employer Name:	
Contact Name or Position:	
Employer Address:	
Employer Phone Number:	