

# PRESCRIPTION DRUG NON-CREDITABLE COVERAGE NOTICE

## Important Notice About Your Employer Provided Prescription Drug Coverage and Medicare

**Date:** June 22, 2005

**Employer Name:**

**Group Number:**

**Contact**

**Position/Office:**

**Address:**

**Phone Number:**

Please read this notice carefully and keep it where you can find it. This notice has information about your current prescription drug coverage with the above named employer and prescription drug coverage available for people with Medicare. It also explains the options you have under Medicare prescription drug coverage and can help you decide whether or not you want to enroll. At the end of this notice is information about where you can get help to make decisions about your prescription drug coverage.

- Medicare prescription drug coverage became available in 2006 to everyone with Medicare through Medicare prescription drug plans and Medicare Advantage Plans that offer prescription drug coverage. All Medicare prescription 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.
- The above named employer has determined that **the prescription drug coverage offered under its group health plan is, on average for all 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 for most people enrolled in the employer's plan, enrolling in Medicare prescription drug coverage means you will get more assistance with drug costs than if you had prescription drug coverage exclusively through the above named employer's plan.**
- Your current coverage provides benefits for other health expenses, in addition to prescription drugs. If you choose to enroll in a Medicare prescription drug plan, you will still be eligible to receive all of your current health and prescription drug benefits.
- **You have decisions to make about Medicare prescription drug coverage that may affect how much you pay for that coverage, depending on when or if you enroll. Read this notice carefully – it explains your options.**

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**For more information about this notice or your current prescription drug coverage, contact our office at the address listed above or by calling the phone number listed above.** NOTE: You will receive this notice annually and at other times in the future, such as before the next period you can enroll in Medicare prescription drug coverage, and if coverage under your employer's plan changes. You may also request a copy of the notice at any time.

For general information regarding the Medicare prescription drug coverage and additional resources you may access, please see the second page of this notice.

**Consider enrolling in Medicare prescription drug coverage.** Because the prescription drug coverage you have with the above named employer is on average for all participants, NOT expected to pay out as much as the standard Medicare prescription drug coverage, you may want to consider enrolling in a Medicare prescription drug plan. Individuals can enroll in a Medicare prescription drug plan when they first become eligible for Medicare and each year from November 15<sup>th</sup> through December 31<sup>st</sup>. Beneficiary's leaving employer/union coverage may be eligible for a Special Enrollment Period to sign up for a Medicare prescription drug plan.

**This may mean that if you don't enroll in a Medicare prescription drug plan, you may have to wait to enroll and that you may pay a higher premium (a penalty) if you join later and you will pay that higher premium as long as you have Medicare prescription drug coverage.**

If you go 63 days or longer without prescription drug coverage that is at least as good as Medicare's prescription drug coverage, your monthly premium for Medicare prescription drug coverage will go up at least 1% per month for each month that you did not have coverage that is creditable to Medicare. For example, if you go nineteen months without creditable coverage and then elect Medicare, your premium for Medicare will be 19% higher than what most other people pay. You will have to pay this higher premium as long as you have Medicare prescription drug coverage. Additionally, you may have to wait until the following November to enroll.

**You need to make a decision.** When you make your decision, you should compare your current coverage, including which drugs are covered, with the coverage and cost of the plans offering Medicare prescription drug coverage in your area. **If you do decide to enroll in a Medicare prescription drug plan and drop your prescription drug coverage with the above named employer, be aware that you and your dependents may not be able to get that coverage back. Please contact us for more information about what happens to your coverage if you enroll in a Medicare prescription drug plan.**

**More detailed information about your options under Medicare prescription drug coverage is in the "Medicare & You" handbook.** If you are eligible for Medicare, you will receive a copy of the handbook in the mail every year from Medicare. You may also be contacted directly by Medicare prescription drug plans. You can also get more information about Medicare prescription drug plans from these places:

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

**For people with limited income and resources, extra help paying for Medicare prescription drug coverage is available.** Information about this extra help is available from the Social Security Administration (SSA). For more information about this extra help, visit SSA online at [www.socialsecurity.gov](http://www.socialsecurity.gov), or call them at 1-800-772-1213 (TTY 1-800-325-0778).