



## **Important Update About Your Prescription Drug Coverage and Medicare Change in Creditability Status on the HIP Plan and Election Period**

**If you or a covered family member are, or will soon become, Medicare-eligible and on the HIP plan, please read this notice carefully and keep it in your files for future reference.**

This notice explains your options regarding Medicare Part D. It can also help you decide whether or not you want to enroll in Medicare prescription drug coverage.

**1. Medicare prescription drug plans offer prescription drug coverage to everyone with Medicare.**

All Medicare prescription drug plans will provide at least a standard level of coverage set by Medicare. Some plans might also offer more coverage for a higher monthly premium.

**2. You may enroll in a Medicare prescription drug plan during your initial enrollment period, a special enrollment period, or during the annual coordinated election period.**

If you lose your current creditable prescription drug coverage, through no fault of your own, you will also be eligible for a two (2) month Special Enrollment Period (SEP) to join a Medicare drug plan. Therefore, you may enroll in a Medicare prescription drug plan within 60 days of becoming eligible for Medicare (initial enrollment period) or within 63 continuous days of involuntarily losing creditable prescription drug coverage (a special enrollment period) without penalty. You may also enroll between **October 15 and December 7** (the annual coordinated election period) by paying a higher premium than you would have if you had enrolled during the initial or special enrollment periods.

**3. It has been determined the prescription drug coverage of the HIP plan is Non-Creditable Coverage.**

Medicare has determined that the prescription drug coverage offered under your group health plan is, on average for all plan participants, NOT expected to pay out as much as standard Medicare Prescription drug coverage pays 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 group health plan. As the Creditability of your prescription drug coverage is a recent change, you should again review the information on the Special Enrollment Period in #2 above.

**4. You may want to consider enrolling in Medicare prescription drug coverage.**

Consider joining a Medicare drug plan. You can keep your group health plan coverage. You can keep the coverage regardless of whether it is as good as Medicare drug plan. However, because your existing coverage is, on average, NOT at least as good as standard Medicare prescription drug coverage, you may pay a higher premium ( a penalty) if you later decide to join a Medicare drug plan.

**5. If you don't enroll in Medicare prescription drug coverage between October 15 and December 7 and change your mind later, you may pay more.**

If you wait until after December 7 to enroll, your monthly premium for a Medicare prescription drug plan could be much higher than it would have been if you had enrolled by December 7. If you go 63 continuous days or longer without prescription drug coverage that is at least as good as Medicare's prescription drug coverage, your monthly premium will go up at least 1% per month for every month that you did not have that coverage. You will have to pay this higher premium as long as you have Medicare prescription drug coverage. For example, if you go 19 months without coverage, your premium will always be at least 19% higher than what most other people pay. In addition, you may have to wait until the following October to join.

225 Fifth Street, Springfield, Oregon, 97477

**6. If you don't enroll in Medicare prescription coverage by December 7, you may also have to wait to enroll.**

Generally, you can only join a Medicare prescription drug plan between October 15 and December 7 of any year (if not enrolled during an initial or special enrollment period – see # 2 above). This may mean that the number of months you have to wait for coverage will be longer, which could make your premium higher. Your current coverage pays for other health expenses, in addition to prescription drugs. You will still be eligible to receive all of your current health and prescription drug benefits if you choose to enroll in a Medicare prescription drug plan.

**7. Financial Assistance**

For people with limited incomes and resources, extra help paying for a Medicare prescription drug plan is available. For more information about this assistance, visit the Social Security Administration Web site at [www.socialsecurity.gov](http://www.socialsecurity.gov), or call them toll-free at (800) 772-1213 (TTY 800-325-0778).

**8. More Information**

For more information about this notice or your current prescription drug coverage, contact your group plan administrator as indicated below.

More detailed information about Medicare plans that offer prescription drug coverage is available in the *Medicare and You* handbook. Medicare will mail a copy of the handbook to you. They may also contact you directly regarding their prescription drug plans. You can find additional information about Medicare prescription drug plans the following ways:

- Visit the Medicare Web site at [www.medicare.gov](http://www.medicare.gov) for personalized help.
- Call Medicare toll-free at (800) MEDICARE (800-633-4227). TTY users should call (877) 486-2048.
- Call your State Health Insurance Assistance Program. (See the inside back cover of *Medicare & You* handbook for their telephone number.)

**You must make a decision**

While you are deciding, you should also 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.

Note: You may receive this notice again in the future, such as before the next period you can enroll in Medicare prescription drug coverage, and if this coverage changes. You may also request a copy.

Name of Plan Sponsor (employer):	City of Springfield
Name of Group Health Plan:	Employer Sponsored Health Plan
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