

Important Notice About Your Prescription Drug Coverage and Medicare



Re: Your prescription drug coverage is creditable for Medicare Part D

Please read this notice carefully and keep it where you can find it. This notice has information about your current prescription drug coverage and your options under Medicare drug coverage. It can help you decide whether to join a Medicare-approved plan that offers drug coverage. If you are considering joining, you should compare your current coverage with the plans offering Medicare drug coverage in your area. Information about where you can get help to make decisions about your prescription drug coverage is at the end of this notice.

There are two important things to know about your current coverage and Medicare drug coverage:

1. Medicare prescription drug coverage started in 2006 for all Medicare beneficiaries. You can get it through a Medicare Prescription Drug Plan or Medicare Advantage Plan (HMO or PPO) that includes drug coverage. All plans provide a standard level of coverage set by Medicare, with some plans offering more coverage for a higher premium.
2. Your employer's health plan provides prescription drug coverage and is considered creditable coverage. This means that it's expected to pay out as much as standard Medicare prescription drug coverage. Because your existing coverage is creditable coverage, you can keep it without having to pay a higher premium (a penalty) if you later decide to join a Medicare drug plan.

When can you join a Medicare drug plan?

You can join a Medicare drug plan when you first become eligible for Medicare and during the annual enrollment period from October 15 to December 7. If you lose your current creditable prescription drug coverage, through no fault of your own you are also eligible for a two-month Special Enrollment Period (SEP) to join a Medicare drug plan.

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

If you join a Medicare drug plan, your current coverage will not be affected. Your current coverage pays for other healthcare expenses as well as prescription drugs. If you enroll in a Medicare prescription drug plan, you will still be eligible to receive all your current health and prescription benefits. The two plans combined will never pay more than 100% of your prescription drug costs. It's important to compare your current coverage with Medicare prescription drug coverage in your area. Consider the cost of the plans and which drugs are covered.

If you decide to join a Medicare drug plan and drop your current coverage, be aware that you and your dependents can get this coverage back.

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

If you drop or lose creditable prescription drug coverage for 63 continuous days or longer, you may face a higher premium (penalty) when you join a Medicare drug plan later. You may also need to wait until the following October to enroll. Your monthly premium could increase by at least 1% of the Medicare base beneficiary premium for each month without coverage. For example, after 19 months without creditable coverage, your premium may be at least 19% higher than the Medicare base beneficiary premium, and this higher rate could continue as long as you have Medicare prescription drug coverage.

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

Contact your group plan administrator listed below.

Name of Plan Sponsor (employer):

Name of Group Health Plan: PacificSource Health Plans

Name of Group Administrator:

Address:

Phone Number:

NOTE: You will receive this notice annually. You will also receive it before the next period in which you can join a Medicare drug plan, as well as if there are any changes to this coverage. You can also request a copy of this notice at any time.

For more information about your options under Medicare drug coverage

For more information about Medicare prescription drug coverage, you can find detailed options in the *Medicare & You* handbook, which Medicare will mail to you. They may also contact you directly about their plans.

For more information about Medicare prescription drug coverage

- Visit the Medicare website at [Medicare.gov](https://www.Medicare.gov).
- Call your State Health Insurance Assistance Program (SHIP). Find the phone number on the inside back cover of *Medicare & You*.
- Call 800 633-4227. TTY users should call 877-486-2048.

If you have a low income and limited resources, you may be eligible for Extra Help to pay for your Medicare drug coverage. For more information about this assistance program, please visit [SocialSecurity.gov](https://www.SocialSecurity.gov) or call 800-772-1213, TTY users should call 800-325-0778.

Remember: Keep this creditable coverage notice. If you join a Medicare drug plan, you may need to provide a copy of this notice to show if you have kept creditable coverage or if you are required to pay a higher premium (a penalty).