

## Important Notice from [Insert Name of Entity] About 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 with [Insert Name of Entity] 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. If you are considering joining, you should compare your current coverage, including which drugs are covered at what cost, with the coverage and costs of the plans offering Medicare prescription 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 [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 aan 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. ~~2.~~ [Insert Name of Entity] has determined that the prescription drug coverage offered by the [Insert Name of Plan] is, on average for all plan participants, **[NOT]** expected to pay out as much as standard Medicare prescription drug coverage pays and is therefore considered [Creditable] [Non-Creditable] Coverage. Because your existing coverage is [Creditable] [Non-Creditable] Coverage, you can keep this coverage [and] [however] you [will not] [may] pay a higher premium (a penalty) if you later decide to join a Medicare drug plan.
3. [INSERT IF COVERAGE IS NON-CREDITABLE: You can keep your current coverage from [Insert Name of Plan]. However, because your 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.]

~~Because your existing coverage is, on average, [NOT] at least as good as standard Medicare prescription drug coverage, you can keep this coverage [and] [however] you [will not] [may] 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 each year from November 15<sup>th</sup> through December 31<sup>st</sup>. ~~This may mean that you may have to wait to join a Medicare drug plan and that you may pay a higher premium (a penalty) if you join later. You may pay that higher premium (a penalty) as long as you have Medicare prescription drug coverage.~~

**[INSERT IF CURRENT COVERAGE IS CREDITABLE:** However, if you lose your current creditable prescription drug coverage, through no fault of your own, you will be eligible for a ~~sixty (60) day~~ two (2) month Special Enrollment Period (SEP) ~~because you lost creditable coverage to join a Part D plan. **[EMPLOYER/UNION SPONSORED PLAN INSERT: In addition, if you lose or decide to leave employer/union sponsored coverage; you will be eligible to join a Part D plan at that time using an Employer Group Special Enrollment Period.]**~~ You should compare your current coverage, including which drugs are covered, with the coverage and cost of the plans offering to join a Medicare drug plan.]

**[INSERT IF PREVIOUS COVERAGE PROVIDED BY THE ENTITY WAS CREDITABLE COVERAGE:** Since you are losing creditable prescription drug coverage under the [Insert Name of Plan], you are also eligible for a two (2) month Special Enrollment Period (SEP) to join a Medicare drug plan.]

**[INSERT IF EMPLOYER/UNION SPONSORED GROUP PLAN IS NON CREDITABLE:** However, if you decide to drop your current coverage with [Insert Name of Entity], since it is employer/union sponsored group coverage; you will be eligible for a two (2) month Special Enrollment Period to join a Part D plan ; however you also may pay a higher premium (a penalty) because you did not have creditable coverage under [Insert Name of Plan].]

### What Happens To Your Current Coverage If You Decide to Join A Medicare Drug Plan?

~~If you decide to join a Medicare prescription drug coverage in your area.~~

~~If you decide to join a Medicare drug plan, your current [Insert Name of Entity] coverage [will] [or will not] be affected. See below for more information about what happens to your current coverage if you join a Medicare drug plan.]~~

**RECOMMENDED INSERT:** ~~CMS recommends that the [The entity providing this disclosure notice the Disclosure Notice should insert here the recommended language contained in the Content an explanation of Creditable Coverage Disclosures on pages 7 - 11 of the Disclosure of Creditable Coverage To Medicare Part D Eligible Individuals Guidance, which explains the prescription drug coverage plan provisions/options under the particular entity's plan that Medicare eligible individuals have available to them when they become eligible for Medicare Part D (e.g., they can keep this coverage if they elect Part D and this plan will coordinate with Part D coverage; for those individuals who elect Part D coverage, coverage under the entity's plan will end for the individual and all covered dependents, etc.). See pages 7 - 11 of the CMS Disclosure of Creditable Coverage To Medicare Part D Eligible Individuals Guidance (available at <http://www.cms.hhs.gov/CreditableCoverage/>), which outlines the prescription drug plan provisions/options that Medicare eligible individuals may have available to them when they become eligible for Medicare Part D.]~~

If you do decide to join a Medicare drug plan and drop your current [Insert Name of Entity] ~~prescription drug~~ coverage, be aware that you and your dependents **may not be able to will [or will not] [Medigap issuers must replace "may insert [will not]" be able to" with "cannot "]** get this coverage back.

### **When Will You Pay A Higher Premium (Penalty) To Join A Medicare Drug Plan?**

**[INSERT IF CURRENT COVERAGE IS CREDITABLE:** You should also know that if you drop or lose your current coverage with [Insert Name of Entity] and don't join a Medicare drug plan within 63 continuous days after your current coverage ends, you may pay a higher premium (a penalty) to join a Medicare drug plan later.

If you go 63 continuous days or longer without prescription drug coverage that's at least as good as Medicare's prescription drug coverage, 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 coverage, your premium may consistently be at least 19% higher than the Medicare base beneficiary premium. You may have to pay this higher premium (a penalty) as long as you have Medicare prescription drug coverage. In addition, you may have to wait until the following November to join.]

**[INSERT IF CURRENT COVERAGE IS NON-CREDITABLE:** Since the coverage under [Insert Name of 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's 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 November to join.]

**Date:** [Insert MM/DD/YY]

**Medicare Eligible Individual's Name:** [Insert Full Name of Medicare Eligible Individual]

**Individual's DOB or unique Member ID:** [Insert Individual's Date of Birth], **or** [Member ID]

**This individual [has] [has not] been covered under Prescription Drug Coverage that is Creditable.**

**If applicable, date ranges of creditable coverage that occurred after May 15, 2006:**

**From:** [Insert MM/DD/YY] **To:** [Insert MM/DD/YY]

**From:** [Insert MM/DD/YY] **To:** [Insert MM/DD/YY]

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

**For More Information About This Notice Or Your Current Prescription Drug Coverage...**

Contact the person listed below for further information- [or call [Insert Alternative Contact] at [(XXX) XXX-XXXX]. **NOTE:** You will get a notice each year. You will also get ~~one~~**it** before the next period you can join a Medicare drug plan, and if this coverage through [Insert Name of Entity] changes. You also may request a copy of this notice at any time.

~~For more information about your options under Medicare prescription drug coverage~~**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 & You" handbook. You'll 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 coverage:

- 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 telephone number) for personalized help,
- 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 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).

**Remember: Keep this Creditable Coverage notice. If you decide to join one of the Medicare drug plans, you may be required to provide a copy of this notice when you join to show whether or not you have maintained creditable coverage and, therefore, whether or not you are required to pay a higher premium (a penalty).**

Date: [Insert MM/DD/YY]  
Name of Entity/Sender: [Insert Name of Entity]  
Contact--Position/Office: [Insert Position/Office]  
Address: [Insert Street Address, City, State & Zip Code of Entity]  
Phone Number: [Insert Entity Phone Number]