

# Important Notice About Your Prescription Drug Coverage and Medicare



## Re: Your prescription drug coverage is noncreditable 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.

Here are three important points 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 that is not expected to pay as much as standard Medicare coverage and is considered NonCreditable Coverage. That means enrolling in a Medicare drug plan may offer better cost assistance. You may face higher premiums later if you don't enroll when first eligible.
3. You can keep your current coverage, but since it's noncreditable, you need to consider your options for Medicare drug coverage carefully. Compare your current plan and costs with available Medicare plans in your area to make an informed choice. Read this notice thoroughly for more details on 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 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.

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

Since your employer's health plan is not creditable, if you go without creditable prescription drug coverage for 63 days or more after becoming eligible for a Medicare drug plan, you may face a penalty. This penalty adds at least 1% to your monthly premium for each month without coverage. For example, if you go 19 months without creditable coverage, your premium could be at least 19% higher than the standard Medicare premium. You may have to pay this higher premium (penalty) as long as you have Medicare prescription drug coverage. Additionally, you may need to wait until the next enrollment period in October to join a Medicare drug plan.

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## 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 remain unchanged. Your current plan covers various health expenses, not just prescription drugs, so you will still receive all your benefits if you enroll in a Medicare drug plan. However, the two plans will never cover more than 100% of your prescription drug costs.

It's important to compare your current coverage with Medicare drug plans in your area, considering costs and which drugs are covered. If you join a Medicare drug plan and leave your current coverage, you and your dependents can rejoin your current coverage later.

## 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 detailed information about Medicare drug coverage

- Visit the Medicare website at [Medicare.gov](http://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](http://SocialSecurity.gov) or call 800-772-1213. TTY users should call 800-325-0778.