

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. Information about where you can get help to make decisions about your prescription drug coverage is at the end of this notice.

There are 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 an 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. [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~~. Therefore, your coverage 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 the [Insert Name of Plan]. This also is important because it may mean that you may pay a higher premium (a penalty) if you do not join a Medicare drug plan when you first become eligible.
3. 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.

~~Consider joining a Medicare drug plan. When Can You can keep your coverage from [Insert Name of Plan]. 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~~ **Join A Medicare prescription drug coverage, you may pay a higher premium (a penalty) if you later decide to join a Medicare drug plan. Drug Plan?**

You can join a Medicare drug plan when you first become eligible for Medicare and each year from November 15th through December 31st. ~~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 EMPLOYER/UNION SPONSORED GROUP PLAN-INSERT:] However, if you ~~lose or~~ decide to ~~leave~~ drop your current coverage with [Insert Name of Entity], since it is employer/union sponsored group coverage, you will be eligible ~~to join a Part D plan at that time using an Employer Group for a two (2) month Special Enrollment Period (SEP) to join a Medicare drug plan; however you also may pay a higher premium (a penalty) because you did not have creditable coverage under [Insert Name of Plan.]~~

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 decide to join a Medicare drug plan, your [Insert Name of Entity] coverage will [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 entity providing this disclosure notice insert here an explanation of the prescription drug coverage plan provisions/options under the entity's plan that Medicare eligible individuals have available to them when they become eligible for Medicare Part D. See pages 9-11 of the Disclosure of Creditable Coverage To Medicare Part D Eligible Individuals Guidance, which explains the prescription drug plan provisions/options under the 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.).~~

If you do decide to join a Medicare drug plan and drop your [Insert Name of Entity] prescription drug coverage, be aware that you and your dependents may not be able to [Medigap issuers must replace "may not be able to"]

[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.]

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

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 ~~“cannot “] get this coverage back.~~

~~You should also know that if you drop or lose your 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 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 at least as good as Medicare's prescription drug coverage 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.~~

For more information about this notice or your current prescription drug coverage... What Happens To Your Current Coverage If You Decide to Join A Medicare Drug Plan?

If you decide to join a Medicare drug plan, your current [Insert Name of Entity] coverage will [or will not] be affected. [The entity providing the Disclosure Notice should insert an explanation of 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 9 - 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] coverage, be aware that you and your dependents will [or will not] [Medigap issuers must insert "will not"] be able to get this coverage back.

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'll get this notice each year. You will also get 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
- Call your State Health Insurance Assistance Program (see the inside back cover of 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, or call them at 1-800-772-1213 (TTY 1-800-325-0778).

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]