

## **MEDICARE PART D CREDITABLE COVERAGE**

### **Important Notice from All Star Glass**

### **about Your Prescription Drug Coverage and Medicare**

**Please read this notice carefully and keep it where you may find it. This notice has information about your current prescription drug coverage with All Star Glass and about your options under Medicare's prescription drug coverage.** This information may 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 may get help to make decisions about your prescription drug coverage is at the end of this notice.

**There are two 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 may 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. All Star Glass** has determined that the prescription drug coverages offered by **Anthem Medical Plans** are, on average for all plan participants, expected to pay out as much as standard Medicare prescription drug coverage pays and is therefore considered **Creditable Coverage**. Because your existing coverage is Creditable Coverage, you may keep this coverage and not pay a higher premium (a penalty) if you later decide to join a Medicare drug plan. Because your existing coverage is Creditable Coverage, you may keep this coverage and not pay a higher premium (a penalty) if you later decide to join a Medicare drug plan.

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### **When May You Join a Medicare Drug Plan?**

You may join a Medicare drug plan when you first become eligible for Medicare and each year from October 15<sup>th</sup> to December 7<sup>th</sup>.

However, 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.

## What Happens to Your Current Group Medical Coverage If You Decide to Join a Medicare Drug Plan?

If you decide to join a Medicare drug plan, and **keep your current group medical coverage**, your current group medical coverage will not be affected. Your current group medical plan will coordinate with Medicare Part D coverage. Please see your medical Summary Plan Description for a complete description of the current prescription drug benefit.

Please see pages 7- 9 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 decide to join a Medicare drug plan, and **drop your current group medical coverage**, you and your eligible family members will be able to get the coverage under the medical benefit options in force at the next Open Enrollment period, assuming you meet eligibility requirements at that time.

## When Will You Pay a Higher Premium (Penalty) to Join a Medicare Drug Plan?

You should also know that if you drop or lose your current group medical coverage with **All Star Glass** and you do not join a Medicare prescription drug plan **within 63 continuous days after your current group medical coverage ends**, you may be required to pay a higher premium (a penalty) to join a Medicare prescription drug plan at a later date.

If you go 63 continuous days or longer without creditable 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 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 (a penalty) as long as you have Medicare prescription drug coverage. In addition, you may have to wait until the following October to join.

## for More Information about This Notice or Your Current Prescription Drug Coverage...

Contact the person listed below for further information. **NOTE:** You will receive this notice each year. You will also receive it before the next period in which you may join a Medicare prescription drug plan, as well as if this current group coverage through **All Star Glass** changes. You also may request a copy of this notice at any time.

## 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 will receive a copy of the handbook in the mail every year from Medicare. You may also be contacted directly by Medicare prescription 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 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](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 prescription 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:** 10/02/2020

**Name of Entity/Sender:** Oro Grande School District

**Contact Name and Position:** Human Resource Office

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