



## Important Notice from the Martin County School District About Your Prescription Drug Coverage and Medicare

Please read this notice carefully and **keep it for your records**. This notice has information about your current prescription drug coverage with the Martin County School District 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.

### Key Facts

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. The Martin County School District has determined that the prescription drug coverage with CIGNA HealthCare is creditable coverage. That means the drug benefit is expected to pay out as much as the standard Medicare prescription drug coverage pays.

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Because your existing coverage with the Martin County School District is, on average, at least as good as the standard Medicare prescription drug coverage, you can keep this coverage and not pay a penalty (higher premium) if you later decide to join a Medicare drug plan in the future.

### How is the Medicare penalty calculated?

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 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 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.

### Medicare Enrollment Options

Should you decide to join a Medicare prescription plan you would be eligible to enroll when you first become eligible for Medicare and each year from November 15<sup>th</sup> through December 31<sup>st</sup>. If you have a coverage gap between the period when your creditable coverage ends and when your Medicare prescription coverage begins you may pay a penalty (higher premium). You may be required to pay the higher premium as long as you have the Medicare prescription drug coverage. However, if you lose creditable prescription drug coverage, through no fault of your own, you will be eligible for a sixty (60) day Special Enrollment Period (SEP) to join a Part D plan because you lost creditable coverage. In addition, if you decide to drop employer 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 at what cost, with the coverage and costs of the available plans offering Medicare prescription drug coverage in your area.

## How would enrolling in Medicare Part D impact your medical benefits with the Martin County School District?

If you decide to join a Medicare drug plan, your coverage with the Martin County School District will be affected. For those individuals who elect Part D coverage, your medical and prescription coverage with the Martin County School District will terminate for the individual and all covered dependents. Once you cancel your medical and prescription benefit, you will waive your right to participate or enroll in the benefit at any time in the future.

You should also know that if you drop or lose your coverage with the Martin County School District and don't join a Medicare drug plan within 63 continuous days after your current coverage ends, you may pay a penalty (higher premium) to join a Medicare drug plan later.

You will receive this notice each year, and it will be mailed to your current address on file with the Martin County School District. This notice will be mailed prior to Medicare's annual enrollment period and if coverages change through the Martin County School District.

For more information about this notice or your current prescription drug coverage with the Martin County School District, please contact the Risk Management and Employee Benefits Department at (772) 219-1200 extension 30206.

### **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 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 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 whether or not you are required to pay a penalty (higher premium).**

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