



Maricopa County

Department of Employee Benefits and Health
Employee Benefits Division
301 West Jefferson Street, Suite 3200
Phoenix, AZ 85003-2143

Phone: 602-506-1010
Fax: 602-506-2354
www.maricopa.gov

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Important Notice from the Maricopa County Employee Benefits Division about Your Prescription Drug Coverage and Medicare

***This notice only applies to you if you are
eligible for Medicare***

Background

The Medicare Modernization Act (MMA) requires group health plans that provide prescription drug coverage to notify Medicare eligible individuals whether the prescription drug coverage offered is "Creditable Coverage", in other words, whether it is at least actuarially equivalent to Medicare Part D coverage. Individuals who do not enroll in a Medicare Part D prescription drug plan when first eligible and who go 63 continuous days or longer without Creditable Coverage generally will have to pay higher premiums if they subsequently enroll. Thus, individuals need to know the value of their Maricopa County prescription drug coverage when deciding whether to enroll in a Medicare Part D prescription drug plan.

Creditable Coverage Notice

This notice applies to you if you are **eligible for Medicare**. Please read this notice carefully and keep it where you can find it. It has information about your current prescription drug coverage with Maricopa County and your options under Medicare's prescription drug coverage. This information can help you decide whether or not you want to join a Medicare prescription 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 included 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 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 prescription 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. Maricopa County has determined that the prescription drug coverage offered by the Maricopa County Benefits Plan is, 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 can keep this coverage and not pay a higher premium (a penalty) if you later decide to join a Medicare prescription drug plan.

When Can You Join A Medicare Prescription Drug Plan?

You can join a Medicare prescription drug plan when you first become eligible for Medicare and each year from October 15th through December 7th.

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 prescription drug plan.

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

If you decide to join a Medicare prescription drug plan, your current Maricopa County prescription drug coverage will not be affected.

If you decide to join a Medicare prescription drug plan, you may drop your current Maricopa County prescription drug coverage but you must also drop your medical and behavioral health coverage as these are bundled plans. Individuals who drop their Maricopa

County coverage will not be allowed to re-enroll in the Maricopa County Benefits Plan until the County's next Open Enrollment period (if eligible). For more information, contact the Maricopa County Employee Benefits Division at the phone number listed at the end of this notice.

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

You should also know that if you drop or lose your current coverage with Maricopa County and you do not enroll in a Medicare prescription drug plan within 63 continuous days after your current coverage ends, you may pay a higher premium (a penalty) to join a Medicare prescription drug plan later.

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 Maricopa County Employee Benefits Division at the phone number listed at the end of this notice.

NOTE: You will be sent this notice each year before the next period you can join a Medicare prescription drug plan, and again if coverage through Maricopa County changes. You may also request a copy of this notice at any time.

For More Information About Your Options Under Medicare Prescription Drug Coverage. . .

Refer to detailed information about Medicare plans that offer prescription drug coverage available in the "Medicare & You" handbook. You will get 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.
- Call your State Health Insurance Assistance Program (see inside back cover of your "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).

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).

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Name of Entity/Sender: Maricopa County Employee Benefits Division

Contact: Employee Benefits Division

Address: 301 W. Jefferson Street, Suite 3200, Phoenix, AZ 85003

Phone Number: (602) 506-1010