

# **City of Fort Wayne**

## **Important Notice from City of Fort Wayne (we or us) About Your Prescription Drug Coverage under the City of Fort Wayne (*High Deductible Health Plan*) Employee Benefit Plan (our plan) and Medicare Part D Prescription Drug Coverage**

*Important: This Notice applies to you only if you are a Part D eligible individual. A Part D eligible individual is someone who has coverage under Medicare Part A or Part B which may include active employees, disabled employees, COBRA participants, retirees, and their covered spouses and dependents. If you do not currently have Medicare Part A or Part B and have not recently applied for Medicare Part A or Part B, then this Notice does not apply to you.*

Please read this notice carefully and keep it where you can find it. This notice has information about your current prescription drug coverage with us 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. At the end of this notice is information about where you can get help to make decisions about your prescription drug coverage.

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 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. We have determined that the prescription drug coverage offered by our plan is, on average for all plan participants, NOT expected to pay out as much as the standard Medicare prescription drug coverage pays. Therefore, your coverage is considered Non-Creditable Coverage. This is important because, most likely, you will get more help with your drugs costs if you join a Medicare prescription drug plan, than if you only have prescription drug coverage through our plan. This is also important because it may mean that you may pay a higher premium (a penalty) if you do not join a Medicare prescription drug plan when you first become eligible.

- 3. You can keep your current coverage from us. 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 Medicare prescription 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.**
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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 each year from October 15<sup>th</sup> through December 7<sup>th</sup>. However, if you decide to drop your current coverage with us, since it is employer/union sponsored group coverage, you will be eligible 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 us.

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

Since the coverage under our 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 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 is creditable, your monthly premium may go up at least 1% of the Medicare base beneficiary premium per month for every month that you did not have 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 October to join.

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

If you drop your medical expense coverage under our plan (including coverage for prescription drugs) and enroll in a Medicare prescription drug plan, you and your dependents may not be able to get this coverage back later. When you make your decision, you should also 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.

Your prescription drug coverage under our plan is described in the Summary Plan Description we provided to you. The portion of the cost of covered prescription drugs you are required to pay is indicated in the Schedule of Benefits. While you continue to be eligible for coverage under our plan, you will not lose coverage under our plan just because you choose to enroll for Medicare prescription coverage. However only drugs obtained in accordance with the requirements of our plan will be covered under our plan.

## **For More Information About This Notice Or Your Current Prescription Drug Coverage...**

Contact our office for further information. NOTE: You will receive this notice annually and at other times in the future such as before the next period you can enroll in Medicare prescription drug coverage, and if this coverage through our plan changes. You also may request a copy.

## **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 prescription drug plans. For more information about Medicare prescription drug plans:

- Visit [www.medicare.gov](http://www.medicare.gov)
- Call your State Health Insurance Assistance Program (see 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. Information about this extra help is available from the Social Security Administration (SSA) on the web at [www.socialsecurity.gov](http://www.socialsecurity.gov), or you call them at 1-800-772-1213 (TTY 1-800-325-0778).

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