

## **MEDICARE PART D PRESCRIPTION DRUG CREDITABLE COVERAGE**

This policy has information about current prescription drug coverage with the College and about options under Medicare's prescription drug coverage. This information can help in deciding whether or not to join a Medicare drug plan. If an employee is considering joining, the employee should compare current coverage, including which drugs are covered at what cost, with the coverage and costs of the plans offering Medicare prescription drug coverage in their area. Information about where an employee can get help to make decisions about prescription drug coverage is mentioned later in this policy.

There are two important things employees need to know about current coverage and Medicare's prescription drug coverage:

1. Medicare prescription drug coverage became available in 2006 to everyone with Medicare. An employee can get this coverage by joining a Medicare Prescription Drug Plan or joining 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 College has determined that the prescription drug coverage offered by CDPHP and MVP 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 existing coverage is Creditable Coverage, employees can keep this coverage and not pay a higher premium (a penalty) if joining a Medicare drug plan is decided later.

### **When Can An Employee Join A Medicare Drug Plan?**

An employee can join a Medicare drug plan when first eligible for Medicare and each year from October 15<sup>th</sup> to December 7<sup>th</sup>.

However, if an employee loses his/her current creditable prescription drug coverage, through no fault of his/her own, the employee will also be eligible for a two (2) month Special Enrollment Period (SEP) to join a Medicare drug plan.

### **What Happens To Current Coverage If An Employee Decides to Join A Medicare Drug Plan?**

If an employee decides to join a Medicare drug plan, current College coverage may be affected. If an active employee, then the Medicare drug plan would be secondary to current coverage through the College. If a participant on the CDPHP Medicare Choices plans or the MVP Gold plan, then joining a separate Medicare drug plan would result in termination of CDPHP or MVP coverage.

If an employee decides to join a Medicare drug plan and drop current College coverage, be aware that the employee and dependents will not be able to rejoin the College plan.

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

An employee should also know that if current coverage with the College is dropped or lost and the employee does not join a Medicare drug plan within 63 continuous days after current coverage ends, the employee may pay a higher premium (a penalty) to join a Medicare drug plan later.

If 63 continuous days or longer without creditable prescription drug coverage, the monthly premium may go up by at least 1% of the Medicare base beneficiary premium per month for every month without coverage. For example, if an employee goes nineteen months without creditable coverage, the premium may consistently be at least 19% higher than the Medicare base beneficiary premium. An employee may have to pay this higher premium (a penalty) for the duration of the Medicare prescription drug coverage. In addition, the employee may have to wait until the following October to join.

Please contact Human Resources for further information.

### **For More Information About Options Under Medicare Prescription Drug Coverage...**

More detailed information about Medicare plans that offer prescription drug coverage is in the “Medicare & You” handbook. An employee will get a copy of the handbook in the mail every year from Medicare. An employee 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)
- For personalized help, call the State Health Insurance Assistance Program (see the inside back cover of the “Medicare & You” handbook for the telephone number).
- Call 1-800-MEDICARE (1-800-633-4227). TTY users should call 1-877-486-2048.

If in a limited income and/or limited resources situation, 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).

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