

## **Notice of Creditable Coverage**

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

**This Notice affects individuals who are enrolled in or eligible to enroll in Medicare. You or a family member may be enrolled in Medicare owing to age (on or after attaining age 65), a disability, or permanent kidney failure (end-stage renal disease). If no one in your family is enrolled in or eligible to enroll in Medicare, the information in this Notice does NOT apply to you.**

This Notice provides information about your current prescription drug coverage under the Health Benefit Plan offered by Berrien Regional Education Service Agency (Employer) and the prescription drug coverage for people with Medicare. You may receive this Notice or an updated version of this Notice on an annual basis. You may also request an additional copy of this Notice at any time.

For further information about this Notice or your coverage under the Health Benefit Plan, you may contact Employer at the following address or telephone number:

Berrien RESA  
Lynda Hurlow or Carla Norwood  
711 St. Joseph Avenue  
Berrien Springs, Michigan 49103  
(269) 471-7725

**If this Notice applies to you or a family member, you should read it carefully and keep it where you can find it.**

#### **Information You Need to Know about Medicare Prescription Drug Coverage**

- ▶ Medicare prescription drug coverage became available in 2006 to everyone who is eligible for Medicare. You can get this coverage if you join a Medicare prescription drug plan or a Medicare Advantage plan (like an HMO or PPO) that offers prescription drug coverage.
- ▶ You can join a Medicare prescription drug plan or Medicare Advantage plan when you first become eligible for Medicare and each year from October 15 through December 7. In addition, if you lose coverage through Employer through no fault of your own, you will be eligible to sign up for a Medicare prescription drug plan at that time, through a special two-month enrollment period.
- ▶ 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. Medicare beneficiaries will need to carefully review the materials provided by each prescription drug plan available to them to determine whether it provides the coverage they need.

#### **Information You Need to Know about Employer's Prescription Drug Coverage**

- ▶ Employer currently offers eligible employees and their eligible dependents prescription drug coverage under the Health Benefit Plan. Participants in the Health Benefit Plan who are enrolled in, or eligible for, Medicare can continue their coverage under the Health Benefit Plan.

- ▶ Employer has determined that the prescription drug coverage offered under the Health Benefit Plan is, on average for all plan participants, expected to pay as much as the standard Medicare prescription drug coverage will pay. **In other words, for most people, the prescription drug coverage under the Health Benefit Plan is at least as good as the coverage you can get from a Medicare prescription drug plan, which means this coverage is “creditable coverage.”** As a result, participants in the Health Benefit Plan who are also enrolled in or eligible to enroll in Medicare can keep their current coverage under the Health Benefit Plan and not pay a higher premium if they later decide to enroll in a Medicare prescription drug plan.

## Frequently Asked Questions

### ***If I decide to enroll in a Medicare prescription drug plan, can I also keep my coverage under the Health Benefit Plan?***

Yes. Enrollment in a Medicare prescription drug plan will generally not affect your eligibility for coverage under the Health Benefit Plan. However, as long as you are actively working for Employer, coverage under the Health Benefit Plan will usually be your primary coverage. Therefore, you may not need to enroll in a Medicare prescription drug plan while you are actively working for Employer.

### ***If I decide to drop my coverage under the Health Benefit Plan and enroll in a Medicare prescription drug plan and Medicare Parts A and B, can I re-enroll in the Health Benefit Plan if I later decide I do not like the Medicare plan?***

Yes. However, if you drop coverage under the Health Benefit Plan, you will generally not be able to re-enroll until the next open enrollment period.

Before dropping coverage under the Health Benefit Plan, you should consider that your coverage under the Health Benefit Plan pays for other health expenses in addition to prescription drugs, which may or may not be covered under Medicare Parts A and B and the Medicare prescription drug coverage to the same extent that they are covered under the Health Benefit Plan.

You should compare your current coverage under the Health Benefit Plan with the coverage and cost of the Medicare prescription drug coverage plans providing coverage in your area (and Medicare Parts A and B) before deciding whether to drop coverage under the Health Benefit Plan.

### ***What happens if I elect to keep my coverage under the Health Benefit Plan and not enroll in Medicare prescription drug coverage until I leave Employer?***

Because the prescription drug coverage under the Health Benefit Plan is, on average for all plan participants, expected to pay as much as the standard Medicare prescription drug coverage will pay, it is considered “creditable coverage.” As a result, you can choose to join a Medicare prescription drug plan later without paying a higher premium (a penalty).

Each year, Medicare beneficiaries will have the opportunity to enroll in a Medicare prescription drug plan between October 15 and December 7. You will also be entitled to a special two-month enrollment period if your coverage under the Health Benefit Plan ends through no fault of your own. However, individuals who drop or lose coverage under the Health Benefit Plan but do not enroll in Medicare prescription drug coverage within a certain period of time may pay more to enroll in Medicare prescription drug coverage later.

If you go 63 continuous days or longer without prescription drug coverage that is at least as good as Medicare's prescription drug coverage (i.e., creditable coverage), your monthly premium may increase by at least 1 percent of the Medicare base premium per month for every month that you did not have creditable coverage. For example, if you go 19 months without creditable coverage, your premium will always be at least 19 percent higher than the Medicare base premium. You may pay this higher premium (a penalty) as long as you have Medicare coverage. In addition, you may have to wait until the next October to enroll.

***Where can I get more information about my options under Medicare prescription drug coverage?***

More detailed information about Medicare plans that offer prescription drug coverage will be available in the "Medicare & You" handbook. Medicare beneficiaries will get a copy of the handbook in the mail every year from Medicare; representatives from Medicare prescription drug plans may also contact beneficiaries directly. More information about Medicare prescription drug plans is also available as follows:

1. Visit [www.medicare.gov](http://www.medicare.gov).
2. Call your State Health Insurance Assistance Program (see your copy of the "Medicare & You" handbook for the telephone number).
3. 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 a Medicare prescription drug plan is available. For information about this extra help, visit the Social Security Administration online at [www.socialsecurity.gov](http://www.socialsecurity.gov), or call them at 1-800-772-1213 (TTY 1-800-325-0778).

**Remember: Keep this Notice. If you decide to enroll in a Medicare prescription drug plan, you may be required to provide a copy of this Notice when you join to show whether you have maintained creditable coverage and whether you are required to pay a higher premium (a penalty).**