

Important Notice From the State of Maryland About Prescription Drug Coverage and Medicare - PART D

NOTICE OF CREDITABLE COVERAGE

Please read this notice carefully and keep it where you can find it. This notice applies to all State of Maryland Employees, Retirees, and dependents who are entitled to Medicare and are enrolled in the current prescription drug plan through the State Employees and Retirees Health and Welfare Benefits Program (our "Program") and has information about our Program's prescription drug coverage. It also explains the options you have under Medicare Part D prescription drug coverage and can help you decide whether or not you want to enroll. At the end of this notice is information about where you can get help to make decisions about your prescription drug coverage.

IMPORTANT POINTS TO REMEMBER

- Medicare prescription drug coverage ("Medicare Part D") 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.
- The State of Maryland has determined that the prescription drug coverage offered through our Program is creditable coverage. **Creditable coverage** means that, on average for all plan participants, our Program is expected to pay out as much or more than the standard Medicare Part D prescription drug coverage will pay. It also means that **if you keep our Program's coverage and do not enroll in a Medicare prescription plan now, you will not pay extra if you later decide to enroll in a Medicare prescription drug plan, so long as you do not have a break in coverage of 63 continuous days or more.**

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 will go up at least 1% per month for every month that you did not have that coverage. For example, if you go nineteen months without coverage, your premium will always be at least 19% higher than what many other people pay. You'll have to pay this higher premium as long as you have Medicare prescription drug coverage. In addition, you may have to wait until the following October to enroll.

- Individuals can enroll in a Medicare prescription drug plan when they first become eligible for Medicare and each year from October 15th through December 7th. In addition, if you lose coverage with our Program through no fault of your own, you may be eligible for a Special Enrollment Period to sign up for a Medicare prescription drug plan.

You should compare your current coverage, including which drugs are covered, with the coverage and cost of the Medicare prescription drug plans in your area. Remember, our Program will only cover eligible dependents in a plan in which you are enrolled as well.

If you are eligible for Medicare prescription drug coverage, you have the right to:

- Keep our Program's coverage and not enroll in a Medicare prescription drug plan;
- Enroll in a Medicare prescription drug plan and drop our Program's coverage; or
- Enroll in a Medicare prescription drug plan and keep our Program's coverage.*

* If your coverage in our Program is as a Retiree or a covered dependent of a Retiree, your Medicare prescription drug plan will be your primary coverage.

- **If you decide to enroll in a Medicare prescription drug plan and drop your prescription drug coverage through our Program, you may not be able to get our Program coverage back until our next Open Enrollment period or when you cancel or lose your Medicare prescription drug coverage.** If you lose or cancel Medicare Part D prescription drug coverage, you may be able to re-enroll in our Program before the next annual Open Enrollment period if you request re-enrollment with the Employee Benefits Division within 60 days and you have had a change in circumstances that permits a mid-year change in enrollment. See the annual Benefits Guide section entitled “Enrollment and Changes Outside of Open Enrollment” on page 18 for more information. If you drop our Program coverage for prescription benefits, your dependent(s) will also lose coverage under our Program’s prescription plan.

If you cancel your coverage under our Program’s prescription drug plan, you are still eligible for enrollment in our Program’s other types of coverage, such as medical and dental plans. Prescription coverage is elected separately from these other coverages.

- **Keep this notice with your important papers.** If you enroll in one of the Part D plans approved by Medicare that offer prescription drug coverage, you may need to give a copy of this notice when you join to show that you are not required to pay a higher premium amount.

For more information about this notice or your current prescription drug coverage:

Contact the Employee Benefits Division for further information at 410-767-4775 or 1-800-307-8283. More information can also be found by going to our website, www.dbm.maryland.gov and clicking “Health Benefits.” NOTE: A copy of this Notice will appear in our Program’s annual Open Enrollment guide each year. You also may request a paper copy at any time.

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. If you are enrolled in Medicare, 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 plans:

- Visit www.medicare.gov;
- Call your State Health Insurance Assistance Program (see your copy of the “Medicare & You” handbook or visit www.mdoa.state.md.us for the telephone number of the local office in your area); and
- Call 1-800-MEDICARE (1-800-633-4227). TTY users should call 1-877-486-2048.

For people with limited income and resources, extra help paying for a Medicare prescription drug plan is available. Information about this extra help is available from the Social Security Administration (SSA). For more information about this extra help, visit the SSA online at www.socialsecurity.gov, or call them at 1-800-772-1213 (TTY 1-800-325-0778).

Date: 4/1/11, **Name of Entity/Sender:** State of Maryland, **Contact Office:** Employee Benefits Division, **Address:** 301 W. Preston Street, Room 510, Baltimore, Maryland 21201, **Phone Number:** 410-767-4775 or toll-free 1-800-307-8283.

Remember: Keep this notice. If you enroll in one of the prescription drug plans approved by Medicare, you may be required to provide a copy of this notice when you join to determine whether or not you are required to pay a higher premium amount.