

Internal Services Agency

Department of Personnel Services

Employee Benefits Office

Dave Comerchero, Manager



## County of Sacramento

September 1, 2015

### **RE: NOTICE OF CREDITABLE/NON CREDITABLE COVERAGE; MEDICAID-CHIP OFFER OF NO OR LOW COST COVERAGE**

As an individual eligible to participate in the group medical insurance program sponsored by the County of Sacramento, we are required to send you the attached Creditable/Non Creditable Coverage notice in accordance with the Medicare Prescription Drug Improvement and Modernization Act of 2003.

If either you or a covered dependent are eligible for Medicare Part A and/or enroll in Medicare Part B, this letter and the attached Creditable/Non Creditable Coverage document contain important information. Please read this information carefully to understand your options.

In addition, if you are eligible for health coverage from your employer, but are unable to afford the premiums, some states have premium assistance programs that can help pay for coverage. The attached document contains important information regarding Medicaid or CHIP programs to help people who are eligible for employer-sponsored health coverage. Please read this information carefully to understand your options.

If you are currently enrolled in a Kaiser, Sutter Health Plus, Western Health Advantage or UnitedHealthcare medical plan through the County of Sacramento group medical insurance program, the prescription drug coverage under this program is as good as, or better than, the coverage provided under the new Medicare Part D prescription drug program. It is "creditable coverage" as defined by the Center for Medicare and Medicaid Services (CMS), the federal organization that runs the Medicare program. Having *creditable coverage* will allow you to avoid future penalties for not enrolling in Part D if you are currently eligible to do so.

If you currently waived the County of Sacramento group medical insurance program, this is not *creditable coverage* as defined by the Center for Medicare and Medicaid Services (CMS). You must decide whether to purchase Medicare Part D coverage on your own, enroll in a plan, or possibly risk monetary penalties in the future.

If you are enrolled in another group medical insurance plan, please contact the sponsor of your other coverage to determine if their plan qualifies as "creditable coverage." Having other *creditable coverage* will allow you to avoid future penalties for not enrolling in Part D.

**If you do not have *creditable coverage* you must enroll in Medicare D or you will be subject to penalties.**

The penalty is at least 1% per month for every month that a Medicare eligible person does not have creditable coverage. That penalty is added to the Medicare Part D premium when you subsequently do enroll in Medicare Part D. For example, if you go nineteen months without coverage, your premium will always be at least 19% higher than it would have been had you purchased the coverage.

Enclosed is the official notice required by CMS regarding *creditable/non creditable coverage*. If you have any questions about this notice, or Medicare Part D, you may review the "Medicare and You 2016" brochure distributed by CMS, you may call CMS at (800) 633-4227. For information regarding the Medicaid or CHIP programs you can contact your State Medicaid or CHIP office or dial 1-877-KIDS NOW or contact the County of Sacramento Employee Benefits Office at (916) 874-2020.

Respectfully,

Employee Benefits Office

## **Important Notice from the County of Sacramento About Your Prescription Drug Coverage and Medicare**

**Please read this notice carefully and keep it where you can find it. This notice has information about your current prescription drug coverage with the County of Sacramento 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. 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 at the end of this notice.**

**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 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 County of Sacramento has determined that the prescription drug coverage offered by Kaiser, Sutter Health Plus, Western Health Advantage and UnitedHealthcare is, on average for all plan participants, expected to pay out as much as the 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 drug plan.**
- 3. You can continue to waive your medical coverage with the County of Sacramento. However, because you waived coverage, it is non-creditable, you have decisions to make about Medicare prescription drug coverage that may affect how much you pay for that coverage, dependent on if and when you join a 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 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 drug plan. If you did not have creditable coverage you may have to pay a higher premium (a penalty).**

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

**If you decide to join a Medicare drug plan, your current County of Sacramento coverage will be affected. For individuals who elect Part D coverage elsewhere, the County of Sacramento's medical plan will end for the individual and all covered dependents.**

Your current coverage pays for other health expenses in addition to prescription drugs. If you enroll in a Medicare prescription drug plan, you and your eligible dependents will not be eligible to receive all of your current health and prescription drug benefits.

If you drop your current prescription drug coverage and enroll in Medicare prescription drug coverage, you may enroll back into a County of Sacramento benefit plan during an open enrollment period under the County of Sacramento benefit plan.

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

You should also know that if you drop or lose your current coverage with the County of Sacramento and don't join a Medicare drug plan within 63 continuous days after your current coverage ends, you may pay a higher premium (a penalty) to join a Medicare 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.....**

Call the Employee Benefits Office at (916) 874-2020. **NOTE:** You'll get this notice each year. You will also get it before the next period you can join a Medicare drug plan, and if this coverage through the County of Sacramento changes. You also may request a copy of this notice 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. 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 the inside back cover of 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. 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).

**Remember: Keep this notice. If you decide to join one of the Medicare 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).**

Date:	September 1, 2015
Name of Entity/Sender:	County of Sacramento Employee Benefits Office 700 H Street, Room 4667 Sacramento, CA 95814
Phone Number:	(916) 874-2020