

TO: All Village of Skokie Group Medical Insurance Medicare Eligible Participants

Notice of Prescription Drug Creditable Coverage Village of Skokie

Important Information about Your Prescription Drug Benefits and Medicare Prescription Drug Coverage

The Village of Skokie will continue to provide prescription drug coverage. **If you are covered under one of the Village's group medical insurance plans, you do NOT need to enroll for Medicare Prescription Drug Coverage since you have creditable coverage.** This notice is provided to you in accordance with Federal Law for information purposes only. You do not need to take any action in response to this information.

This Notice has information about:

- Medicare Prescription Drug Coverage (Medicare Part D) that is available to everyone with Medicare.
- How the Village of Skokie's existing prescription drug benefits are, on average for active and retired participants and their dependents, as good as standard Medicare Prescription Drug Coverage.
- What your choices are and what happens to your coverage under the Village's plan if you elect Medicare Prescription Drug Coverage.
- Where to find more information to help you make decisions about your prescription drug coverage.

This Notice explains the options you have under Medicare Prescription Drug Coverage. If you are eligible for Medicare then you need to decide if you should enroll in a Medicare Prescription Drug Coverage Plan. Please read this Notice carefully and keep it in a safe place for future reference. However, **if you plan to continue on the Village's group medical insurance plan, you do not need to do anything.**

Medicare Prescription Drug Coverage

Medicare Prescription Drug Coverage is available to anyone with Medicare. Most people will have to pay a monthly premium for Medicare Prescription Drug Coverage. For people with limited income and assets, extra help paying for Medicare Prescription Drug Coverage is available.

Medicare Prescription Drug Coverage is insurance provided by private companies that has been approved by Medicare. This coverage is available through Medicare Advantage Plans (like an HMO or PPO) and Medicare Prescription Drug Plans. All Medicare plans will provide at least a standard level of coverage as set by Medicare. Some Medicare plans might offer better coverage for a higher monthly premium.

If you are entitled to Medicare Part A or enrolled in Medicare Part B, you can enroll for Medicare Prescription Drug Coverage when you first become eligible for Medicare and each year from October 15th through December 7th. If you drop or lose coverage under the Village of Skokie's medical insurance plan, you may be eligible for a two month Special Enrollment Period to sign up for Medicare Prescription Drug Coverage. You can find detailed information about Special Enrollment Periods in the *Medicare & You* booklet that Medicare eligible individuals receive each fall.

Existing Coverage as Good as Standard Medicare Prescription Drug Coverage

The Village of Skokie's prescription drug benefits under the BlueCross BlueShield PPO Plan and the HMO Illinois Plan are, on average, "creditable coverage," which means coverage under the Village's plans are expected to pay as much in claims as standard Medicare Prescription Drug Coverage.

Because current prescription drug benefits under the Village's plans are creditable coverage, you can choose to stay covered under your current plan and join a Medicare plan later and not be subject to higher premiums.

Keep this Notice. If you enroll for Medicare Prescription Drug Coverage, you will need a copy of this Notice when you enroll. This Notice verifies that you have creditable coverage and that you are not required to pay higher premiums.

Your Choices and the Consequences

If you are eligible and do decide to enroll in a Medicare Prescription Drug Plan and drop or lose medical coverage with the Village of Skokie, be aware that you and your dependents will not be able to get the Village of Skokie's coverage back.

If you are eligible for Medicare, you can compare your current coverage, including what medications they cover, with the coverage and cost of the Medicare plans in your area. Remember that for most people there is a monthly premium for Medicare Prescription Drug Coverage.

Note to Medicare-Eligible Individuals: If you drop or lose your coverage under the Village of Skokie and do not enroll for Medicare Prescription Drug Coverage after your current coverage ends, you may pay more for Medicare Prescription Drug Coverage later. If you go 63 days or longer without prescription drug creditable coverage, your monthly premium for Medicare Prescription Drug Coverage will increase. The increase will be at least 1% per month for every month after you are eligible for but did not have Medicare coverage. For example, if you go 19 months without coverage, your monthly premium will always be at least 19% higher than what most other people pay. You will have to pay the higher premium penalty as long as you have Medicare Prescription Drug Coverage. In addition, you may have to wait until the next open enrollment period (October 15 through December 7 each year) to enroll.

For More Information about Medicare Prescription Drug Coverage

If you are eligible for Medicare, you will receive a *Medicare & You* handbook from Medicare. More information about Medicare Prescription Drug Coverage is included in this handbook. You will also receive information directly from Medicare plans. To get more information:

- Visit 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.

For people with limited income and assets, extra help paying for a Medicare Prescription Drug Coverage is available. Additional information is available from the Social Security Administration by:

- Visiting www.socialsecurity.gov.
- Calling 1-800-772-1213 (TTY users should call 1-800-325-0778).

For More Information about this Notice or your Village of Skokie Benefits...

If you have questions about this Notice, or would like more information about your benefits, please contact the Personnel Office at the number below.

In the future, you will periodically receive an updated copy of this Notice for your records. You also may request a copy of this Notice at any time by contacting the Personnel Office.

Date: October 2018
Entity/Sender: Village of Skokie
Contact: Christa C. Ballowe, Personnel Director
Address: 5127 Oakton Street, Skokie, Illinois 60077
Telephone Number: 1-847-933-8212

Benefits under the Village of Skokie are not vested or guaranteed. They may be amended, modified, or discontinued at any time in accordance with the legal documents that establish these benefits.