Important Notice About The County of Orange
Prescription Drug Coverage and Medicare

In compliance with Medicare guidelines, this notice must be sent to Medicare eligible employees and retirees and/or their Medicare eligible dependents enrolled in a County of Orange health plan at least on an annual basis. **If you or a covered dependent are not Medicare eligible, you can disregard this notice.**

Please read this notice carefully and keep it where you can find it. This notice has information about the County of Orange prescription drug coverage in the plans listed below and 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. Information about where you can get help to make decisions about your prescription drug coverage is at the end of this notice. If you are considering joining, you should compare your County of Orange coverage options, including which drugs are covered at what cost, with the coverage and costs of the plans offering Medicare prescription drug coverage in your area.

There are three important things you need to know about the County of Orange prescription drug 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 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.
2. The County of Orange has determined that the prescription drug coverage offered by the plans listed below are, 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 the coverage in these plans is Creditable Coverage, you can be enrolled in one these plans, and not pay a higher Medicare part D premium (a penalty) if you later decide to join a Medicare drug plan.

<u>Creditable Coverage Plans</u>:

- Cigna Choice Retiree HMO
- Cigna Select Retiree HMO
- Humana PPO
- Kaiser Senior Advantage Plan
- Kaiser Retiree HMO
- SCAN HMO Plan
- Wellwise Retiree PPO Plan
- Wellwise Retiree Medicare PPO
- Cigna Choice HMO
- Cigna Select HMO
- Kaiser Choice HMO
- Wellwise Choice PPO Plan

3. The County of Orange has determined that the prescription drug coverage offered by the plans listed below are, on average for all plan participants, **NOT** expected to pay out as much as the standard Medicare prescription drug coverage pays and is therefore considered **Non-Creditable Coverage**. This is important because, most likely, you will get more help with your drug costs if you join a Medicare drug plan, than if you only have prescription drug coverage from the plans listed below. This also is important because it may mean that you may pay a higher premium (a penalty) if you do not join a Medicare drug plan when you first become eligible (e.g., when you attain age 65 regardless of whether you are actively employed or not).

<u>Non-Creditable Coverage Plans:</u>

Sharewell Choice PPO Plan

You can enroll in the County of Orange Sharewell Choice PPO health plan. However, because the coverage is non-creditable, you have decisions to make about Medicare prescription drug coverage that may affect how much you pay for that coverage, depending on if and when you join a Medicare drug plan. When you make your decision, you should compare all of your County of Orange coverage options, including what drugs are covered, with the coverage and cost of the plans offering Medicare prescription drug coverage in your area. Continue reading this notice carefully - it explains your options.

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 thereafter from October 15 through December 7.

If you currently are enrolled or considering enrolling in the Sharewell Choice PPO health plan and you do not join a Medicare drug plan when you first become eligible, you will most likely have to pay a higher premium (a penalty) when you do join a Medicare drug plan. If you decide to drop your coverage or lose your coverage under the Sharewell Choice PPO health plan after the date you first become eligible to join a Medicare drug plan, you will be eligible for a two (2) month Special Enrollment Period (SEP) to join a Medicare drug plan because these coverages are employer sponsored group coverages. However, you also may pay a higher Medicare Part D premium (a penalty) when you do join because you did not have creditable coverage under the County of Orange Sharewell Choice PPO health plan.

What Happens To Your Current Coverage If You Decide To Join A Medicare Drug Plan and You Are a ***Retiree***?

If you decide to join a Medicare drug plan and you are a ***retiree*** enrolled in any of the plans listed below that already offer Medicare drug coverage, you will be automatically dropped from this coverage and enrolled in the Sharewell Retiree PPO plan. This is because you cannot be enrolled in two plans that offer Medicare drug coverage.

- Humana PPO
- Kaiser Senior Advantage Plan
- SCAN Health Plan
- Wellwise Retiree Medicare PPO Plan

If you do decide to join a Medicare drug plan and drop your current County of Orange coverage, be aware that you and your dependents will not be able to get the County of Orange coverage back.

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

1. If you are enrolled in the **Sharewell Choice PPO health plan** and do not join a Medicare drug plan when you become eligible.
2. If you drop or lose your creditable prescription drug coverage with County of Orange 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.
3. Starting with the end of the last month that you were first eligible to join a Medicare drug plan but didn't join, 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...

Contact the Benefits Service Center at 1 -833-476-2347; 8 a.m. – 6 p.m. PT, except holidays.

NOTE: You will 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 Orange 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 will get a copy of the handbook in the mail every year from Medicare. You may also be contacted directly by Medicare drug plans. For more information about Medicare prescription drug coverage:

- 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**.

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.ssa.gov**, or call them at **1-800-772-1213** (**TTY 1-800-325-0778**).

Remember: Keep this Creditable and Non-Creditable Coverage 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).