

## **Important Notice from Blue Cross and Blue Shield of Minnesota About Your Prescription Drug Coverage and Medicare**

October 2020

**Please read this notice carefully and keep it where you can find it. This notice has information about your current prescription drug coverage with Independent School District #2184 through Blue Cross and Blue Shield of Minnesota 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. 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. If and when you are eligible for Medicare, you can get Medicare drug 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. Blue Cross and Blue Shield of Minnesota has determined that the prescription drug coverage offered by the Blue Cross Independent School District #2184 **\$1,000 Deductible, \$3,000 Deductible and \$3250HSA Plans** are on average for all plan participants, expected to pay out as much as standard Medicare prescription drug coverage pays and is considered **Creditable Coverage**. Because your existing coverage is, on average, at least as good as standard Medicare prescription drug coverage, you can keep this coverage and not pay a higher premium (a penalty) if you later decide to join a Medicare drug plan.**

Blue Cross and Blue Shield of Minnesota has determined that the prescription drug coverage offered by the Blue Cross Independent School District #2184 **\$6750HSA Plan** is on average for plan participants, NOT expected to pay out as much as 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 your Blue Cross and Blue Shield of Minnesota plan. This is also 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.**

3. You can keep your current coverage from Blue Cross and Blue Shield of Minnesota. However, because if your coverage is non-creditable and you are eligible for Medicare coverage, 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 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.

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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> to December 7<sup>th</sup>.

If you decide to drop your current \$6750HSA Plan and since you are losing creditable prescription drug coverage under Independent School District #2184 Blue Cross and Blue Shield of Minnesota, an employer/sponsored group coverage, you will be eligible for a two (2) month Special Enrollment Period (SEP) to join a Medicare drug plan; however you also may pay a higher premium (a penalty) because you did not have creditable coverage under Independent School District #2184.

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

Since the coverage from Blue Cross and Blue Shield of Minnesota #2184 HSA Plan is not creditable, depending on how long you go without creditable prescription drug coverage, you may pay a penalty to join a Medicare drug plan. 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 prescription drug coverage that's creditable, your monthly premium may go up by at least 1 percent 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 coverage, your premium may consistently

be at least 19% higher than the Medicare base beneficiary premium. You may have to pay this higher premium (penalty) as long as you have Medicare prescription drug coverage. In addition, you may have to wait until the following October to join.

### **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 Independent School District #2184 Blue Cross and Blue Shield of Minnesota coverage will not be affected. See the CMS Disclosure of Creditable Coverage To Medicare Part D Eligible Individuals Guidance (available at <http://www.cms.hhs.gov/CreditableCoverage/>) which outlines the prescription drug plan provisions/options that Medicare eligible individuals may have available to them when they become eligible for Medicare Part D.

If you do decide to join a Medicare drug plan and drop your current Blue Cross coverage, be aware that you and your dependents will not be able to get this coverage back, depending on Independent School District #2184 Blue Cross Blue Shield of Minnesota eligibility policy. This may affect your medical coverage as well, so be sure to contact

### **For More Information About This Notice Or Your Current Prescription Drug Coverage...**

Contact the person listed below for further information. **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 Blue Cross and Blue Shield of Minnesota 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 drug plans. For more information about Medicare prescription drug coverage:

- 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)**.

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