

## **Important notice from Mount Vernon Schools about noncreditable prescription drug coverage and Medicare**

The purpose of this notice is to advise you that the prescription drug coverage listed below under the Mount Vernon Schools medical plan is **not** expected to pay out, on average, at least as much as the standard Medicare prescription drug coverage will pay in 2017. This is known as “noncreditable coverage.”

**Why this is important.** If you or your covered dependent(s) are enrolled in any prescription drug coverage listed in this notice during 2017 and are or become covered by Medicare, you may be subject to a late enrollment penalty (if you enroll after your applicable Medicare enrollment period) – unless you have “creditable” prescription drug coverage through a source other than the coverage listed below. You will not be subject to a late enrollment penalty if you do not go 63 days or longer without creditable prescription drug coverage. You should keep this notice with your important records.

**Note:** Some prescription drug programs offered by *Mount Vernon Schools* **do** provide creditable coverage. If you are enrolled in (or interested in enrolling in) any drug coverage **not** listed in this notice, please review the *Mount Vernon Schools* companion notice entitled “Important Notice from *Mount Vernon Schools* about Creditable Prescription Drug Coverage and Medicare.”

If you or your family members aren’t currently covered by Medicare and won’t become covered by Medicare in the next 12 months, this notice doesn’t apply to you.

Please read the notice below carefully. It has information about prescription drug coverage with *Mount Vernon Schools* and prescription drug coverage available for people with Medicare. It also tells you where to find more information to help you make decisions about your prescription drug coverage.

### **Notice of noncreditable coverage**

You may have heard about Medicare’s prescription drug coverage (called Part D), and wondered how it would affect you. Prescription drug coverage is available to everyone with Medicare through Medicare prescription drug plans. All Medicare prescription drug plans provide at least a standard level of coverage set by Medicare. Some plans also offer more coverage for a higher monthly premium.

Individuals can enroll in a Medicare prescription drug plan when they first become eligible, and each year from October 15 through December 7. Individuals leaving Mount Vernon Schools/union coverage may be eligible for a Medicare Special Enrollment Period.

If you are covered by the *Mount Vernon Schools* prescription drug plan listed below, you'll be interested to know that coverage is not, on average, at least as good as standard Medicare prescription drug coverage for 2017. This is called noncreditable coverage. If you have drug coverage only through the below plan, you may have to pay a Part D late enrollment penalty if you enroll in a Medicare prescription drug plan after your applicable Medicare enrollment period ends.

#### HDHP 5000

If you decide to enroll in a Medicare prescription drug plan and you are an active employee or family member of an active employee, you may also continue your *Mount Vernon Schools* coverage. In this case, the *Mount Vernon Schools* plan will continue to pay primary or secondary as it had before you enrolled in a Medicare prescription drug plan. If you waive or drop *Mount Vernon Schools* coverage, Medicare will be your only payer. You can re-enroll in the *Mount Vernon Schools* plan at annual enrollment or if you have a special enrollment event, assuming you remain eligible.

You should know that if you go 63 days or longer without creditable prescription drug coverage (after your applicable Medicare enrollment period ends), your monthly Part D premium will go up at least 1% per month for every month that you did not have creditable coverage. For example, if you go 19 months without coverage, your Medicare prescription drug plan premium will always be at least 19% higher than what most 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 in Part D.

You may receive this notice at other times in the future – such as before the next period you can enroll in Medicare prescription drug coverage, if this coverage changes, or upon your request.

#### **To learn more 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. Medicare participants 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. Here's how to get more information about Medicare prescription drug plans:

- Visit [www.medicare.gov](http://www.medicare.gov) for personalized help.
- Call your State Health Insurance Assistance Program (see a copy of the *Medicare & You* handbook for the telephone number).
- 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 SSA online at [www.socialsecurity.gov](http://www.socialsecurity.gov) or call 1-800-772-1213 (TTY 1-800-325-0778).

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

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