



October 2020

To: **Health Care Plan Participants and their Eligible Dependents**

If you are not eligible (or will not soon be eligible) for Medicare, disregard this notice.

Enclosed you will find important information about Medicare Part D and your prescription drug coverage provided under the health plans offered by the City of Tacoma through Regence BlueShield and Kaiser Permanente of Washington. As you may be aware, Medicare prescription drug coverage became available in 2006 to all Medicare-eligible individuals through Medicare prescription drug plans and Medicare Advantage Plans that offer prescription drug coverage. Regence BlueShield and Kaiser Permanente of Washington have determined that the prescription drug coverage offered under the Regence BlueShield and Kaiser Permanente of Washington plans is, on average for all participants, expected to pay out as much as the Standard Medicare drug plan. This is known as “creditable coverage.” The enclosed notice can help you to make a decision about whether you want to enroll in Medicare Prescription drug coverage at this time.

The enclosed notice of creditable coverage is also your proof that your current prescription drug benefit program provides “creditable coverage,” as defined in the notice. Please retain this notice with your other important plan information. In the event that you are currently Medicare eligible and you choose to enroll in Medicare prescription drug coverage at a later date, with this certificate there should not be a late enrollment fee, so long as you enroll in a Medicare drug plan or another plan providing “creditable coverage” within 62 days of losing prescription drug coverage under the Regence BlueShield or Kaiser Permanente of Washington plans.

If you lose the notice and need another copy, please contact the City of Tacoma Benefits Office at benefits@cityoftacoma.org or 253-573-2345, request a copy in writing from the City of Tacoma Benefits Office at 747 Market Street, Room 1420 , Tacoma, WA 98402 or visit www.cityoftacoma.org/benefits. Updated versions of these notices will be sent annually and you will be informed if any of the health plans offered by the City of Tacoma (i.e. Regence BlueShield, Kaiser Permanente of Washington) ever lose creditable coverage status.

Sincerely,

Kari L. Louie
Senior Compensation & Benefits Manager

Attachments: Creditable Coverage Notice

If you are not eligible (or will not soon be eligible) for Medicare, disregard this notice

Important Notice from City of Tacoma 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 City of Tacoma 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 two 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. Regence BlueShield and Kaiser Permanente of Washington have determined that the prescription drug coverage offered by City of Tacoma is, on average for all plan participants, expected to pay out as much as 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.

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 15th to December 7th.

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.

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 City of Tacoma coverage **will be affected**.

If you do decide to elect prescription drug coverage through a Medicare Part D plan for 2021, you may enroll beginning October 15, 2020. Beginning in October, you may receive more information from Medicare and about the enrollment process.

If you enroll in a Medicare Part D plan, your medical and prescription drug coverage through the City of Tacoma will be the primary coverage. Therefore, there will be limited or no benefits that will be payable through the Medicare Part D coverage.

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

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 City of Tacoma 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...

Contact the entity 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 City of Tacoma 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
- 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, or call them at 1-800-772-1213 (TTY 1-800-325-0778).

Remember: Keep this 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).

Date:	October 13, 2020
Name of Entity/Sender:	City of Tacoma
Contact—Position/Office:	Human Resources Department/ Benefits Office
Address:	747 Market Street, Room 1420, Tacoma, WA 98402
Phone Number:	253-573-2345
Email Address:	benefits@cityoftacoma.org