Los Angeles Unified School District
BENEFITS ADMINISTRATION

NOTICE OF CREDITABLE COVERAGE
Your District-Sponsored Prescription Drug Coverage and Medicare Part D

> ### This notice is for members with Medicare.
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> ➢ If you and/or your family members are not eligible for Medicare now and will not be eligible during the next 12 months, you may disregard this Notice.
> ➢ If, however, you and/or your family members are now eligible for Medicare or may become eligible for Medicare in the next 12 months, you should read this Notice very carefully.
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> Remember: Keep this Notice of Creditable Coverage. If you decide to join one of the Medicare drug plans, you may be required to provide a copy of this notice to show whether you have maintained creditable coverage and, therefore, whether or not you are required to pay a higher premium (a penalty).

This notice contains information about your current prescription drug coverage with the Los Angeles Unified School District (District), and about your options under Medicare's Prescription Drug Coverage.

Medicare prescription drug coverage became available in 2006 to everyone who is eligible for Medicare. You can join a Medicare Prescription Drug Plan or remain in the plan offered by the District for your prescription drug coverage. All Medicare drug plans provide at least a standard level of coverage set by Medicare.

The District has determined that the prescription drug coverage offered under your District sponsored plan is, on average for all plan participants, expected to pay out as much as standard Medicare prescription drug coverage, and is therefore considered **Creditable Coverage**. Because your existing coverage offered by Kaiser Senior Advantage, Health Net Seniority Plus, or SilverScript® Insurance Company (a CVS Health company for Anthem Blue Cross plans) 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.

If you are considering enrolling in a Medicare Prescription Drug Plan, please carefully review the following information because your current medical benefit coverage will be affected.

What happens to your current District sponsored medical coverage if you decide to join a Medicare Drug Plan?
If you decide to enroll in a Medicare Drug Plan, your current District sponsored medical and prescription coverage will be **canceled**. Be aware that you and your dependents may not be able to get this coverage back. For further information on how your coverage will be affected, please contact LAUSD Benefits Administration at (213) 241-4262.

IMPORTANT NOTE:
To keep your current District sponsored medical and prescription drug coverage, <u>DO NOT</u> join/enroll in a Medicare Prescription Drug Plan.

If you are still considering joining a Medicare prescription drug plan, 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. If you join a Medicare prescription drug plan, please notify the District immediately and we will cancel your District sponsored medical and prescription coverage.

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 through 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-month Special Enrollment Period (SEP) to join a Medicare drug plan.

When will you pay a higher premium (penalty) to join a Medicare Drug Plan?
If you drop your current District sponsored coverage and do not 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 19 months without creditable coverage, your premium may consistently be at least 19% higher than the Medicare base beneficiary premium. You will 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:
Please contact your medical provider at the number listed on the back of your medical / prescription ID cards. You will receive this notice each year. You may also get it before the next enrollment period when you can join a Medicare drug plan, and if the coverage through the District 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 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 Administration on the web at www.socialsecurity.gov or call them at 1-800-772-1213 (TTY 1-800-325-0778).

Los Angeles Unified School District
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