



MEMORANDUM

TO: Medicare Eligible Employees and/or Their Medicare Eligible Dependents

FROM: Risk Management

DATE: October 10, 2022

SUBJECT: Medicare Part D – Required Employer Notice

Please read this notice carefully and keep it where you can find it. This notice has information about your current prescription drug coverage with Alief ISD and about your options under Medicare’s prescription drug coverage. This information can help you to decide whether or not you want to join a Medicare drug plan.

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. Alief ISD has determined that the prescription drug coverage currently offered by Express Scripts 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 or 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 Aetna/CVS coverage will be primary and your Medicare drug plan will be secondary.
- If you do decide to join a Medicare drug plan and drop your current coverage with Alief ISD, you and your dependents will be able to get this coverage back by enrolling during our Open Enrollment period.

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

- If you drop or lose your current coverage with Alief ISD 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 Alief ISD Prescription Drug Coverage...

Please contact the Risk Management Department at 281-498-8110 ext. 29150

Please Note: You will get this notice from Risk Management each year. 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.
- Visit www.medicare.gov
- Call your State Health Insurance Assistance Program at 1-800-252-9240.
- 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).