

Important Notice

About Your Prescription Drug Coverage and Medicare

If you (and/or your dependents) have Medicare, or will become eligible for Medicare within the next 12 months, federal law gives you more choices about your prescription drug coverage. Please read the following notice for more details.

Please read this notice carefully. It has information about your prescription drug coverage and Medicare Part-D coverage available to Medicare Part-D eligible individuals. This Notice also provides information on additional resources that may help you decide which prescription drug coverage to choose.

You should keep this notice with your important records. 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.

Notice of Non-Creditable Coverage

The purpose of this notice is to advise you that the prescription drug coverage listed below, on average for all plan participants, is **NOT** expected to pay out as much as the standard Medicare prescription drug coverage. Therefore, your coverage is considered "**non-creditable coverage.**"

Western Health Advantage

Gateway 7050 Bronze 60 HDHP

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 through one of the plans above. This also is important because it may mean that you pay a higher premium if you do not join a Medicare drug plan when you first become eligible.

You can keep your current coverage. However, because your coverage is non-creditable, 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.

Late Enrollment Penalty (Higher Premium Charge)

You should know that if you waive or drop coverage and you go 63 days or longer without creditable prescription drug coverage (once your applicable Medicare enrollment period ends), your monthly Medicare Part D premium may go up by at least 1% per month for every month that you do not have creditable coverage. For example, if you go 19 months without coverage, your Medicare prescription drug plan premium may consistently be at least 19% higher than what most other people pay. You may 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 Medicare Part D.

Medicare Prescription Drug Coverage

You may have heard about Medicare's prescription drug coverage (called Medicare Part D), and wondered how it would affect you. Medicare offers prescription drug coverage to everyone with

Medicare. 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 Part D eligible, and each year thereafter during Medicare open enrollment (October 15 through December 7). Individuals who decide to drop their coverage may be eligible for Medicare Part D for a two month Medicare Special Enrollment Period; however, you may pay a higher premium because you do not have creditable coverage under your current plan.

Interaction Between Coverages

If you or a family member decide to enroll in a Medicare prescription drug plan, your current coverage could be affected. This plan's prescription drug coverage provides less coverage on average than the standard benefit set by the federal government for Medicare Part D (also called non-creditable coverage). It is important to know that generally you may only enroll in a Part D plan from October 15th through December 7th of each year, and if you do not enroll when first eligible you may be subject to payment of higher Part D premiums when you enroll at a later date. For more information about drug coverage, call the Customer Service telephone number on your member identification card.

In addition, if you waive or drop your current coverage to enroll in a Medicare Part D plan, you and your dependents may not be able to re-enroll in coverage at open enrollment or when you have a special enrollment event.

Additional Information

Contact the person listed at the end of this Notice for further information about your current prescription drug coverage. **NOTE:** 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 the coverage changes, or upon your request.

More detailed information about Medicare plans that offer prescription drug coverage is in the *Medicare & You* handbook. Medicare participants will receive 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.
- Call your State Health Insurance Assistance Program (see a copy of the *Medicare & You* handbook for the telephone number) for personalized help.
- 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. For information about this extra help, contact the Social Security Administration (SSA) online at www.socialsecurity.gov or call 1-800-772-1213 (TTY 1-800-325-0778).

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

American River Benefit Administrators

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