



Office of Human Resources and Equal Opportunity  
12345 El Monte Road, Los Altos Hills, CA 94022

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## ***CREDITABLE COVERAGE DISCLOSURE NOTICE***

### ***Your Prescription Drug Coverage and Medicare Part D***

Please read this notice carefully and keep it where you can find it. This notice has information about your current prescription drug coverage with Foothill-De Anza Community College District 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. Information about where you can get help to make decisions about your prescription drug coverage is at the end of this notice.

If neither you nor any of your covered dependents are eligible for or have Medicare, this notice does not apply to you or the dependents, as the case may be. However, you should still keep a copy of this notice in the event you or a dependent should qualify for coverage under Medicare in the future. Please note, however, that later notices might supersede this notice.

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. Foothill-De Anza Community College District has determined that the prescription drug coverage offered by the District's medical plans is, on average for all plan participants, expected to pay out as much as standard Medicare prescription drug coverage pays and is considered "creditable" prescription drug coverage. This is important for the reasons described below.

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Because your existing coverage is, on average, at least as good as standard Medicare prescription drug coverage, you can keep this coverage and not pay a higher premium (a penalty) if you later decide to enroll in a Medicare drug plan, as long as you later enroll within specific time periods.

### **Enrolling in Medicare – General Rules**

Basically, you may join a Medicare drug plan when you first become eligible for Medicare. If you qualify for Medicare due to age, you may enroll in a Medicare drug plan during a seven-month initial enrollment period. That period begins three months prior to

your 65<sup>th</sup> birthday, includes the month you turn 65, and continues for the ensuing three months. If you qualify for Medicare due to disability or end-stage renal disease, your initial Medicare Part D enrollment period depends on the date your disability or treatment began. For more information you should contact Medicare at the telephone number or web address listed below.

### **Late Enrollment and the Late Enrollment Penalty**

If you decide to *wait* to enroll in a Medicare drug plan you may enroll later, during Medicare Part D's annual enrollment period, which runs each year from November 15<sup>th</sup> through December 31<sup>st</sup>. But as a general rule, if you delay your enrollment in Medicare Part D, after first becoming eligible to enroll, you may have to pay a higher premium (a penalty).

If after your initial Medicare Part D enrollment period you go **63 continuous days or longer without "creditable" prescription drug coverage** (that is, prescription drug coverage that's at least as good as Medicare's prescription drug coverage), your monthly Part D premium may go up by at least 1% of the premium you would have paid had you enrolled timely, for every month that you did not have creditable coverage.

For example, if after your Medicare Part D initial enrollment period you go nineteen months without coverage, your premium may be at least 19% higher than the premium you otherwise would have paid. You may have to pay this higher premium for as long as you have Medicare prescription drug coverage. *However, there are some important exceptions to the late enrollment penalty.*

### **Special Enrollment Period Exceptions to the Late Enrollment Penalty**

There are "special enrollment periods" that allow you to add Medicare Part D coverage months or even years after you first became eligible to do so, without a penalty. For example, if after your Medicare Part D initial enrollment period you lose or decide to leave employer-sponsored or union-sponsored health coverage that includes "creditable" prescription drug coverage, you will be eligible to join a Medicare drug plan at that time.

In addition, if you otherwise lose other creditable prescription drug coverage (such as under an individual policy) through no fault of your own, you will be able to join a Medicare drug plan, again without penalty. These special enrollment periods end two months after the month in which your other coverage ends. You should compare your current coverage, including which drugs are covered and at what cost, versus the alternative Medicare prescription drug plans in your area.

### **Coordinating Other Coverage with Medicare Part D**

**Generally speaking, if you decide to join a Medicare drug plan while covered under a Foothill-De Anza Community College District medical plan due to your employment (or someone else's employment, such as a spouse or parent), your coverage under the District's Plan will be affected.**

**You are hereby advised NOT to purchase Medicare drug coverage from any other health plan or pharmacy. The District has applied for Medicare Part D subsidy. You do not have to enroll.**

**Please note: If you join a Medicare drug plan, you will not be able to keep the Foothill-De Anza Community College district medical plan. Coverage under the entire plan, including Prescription Drug coverage will be terminated as of the effective date of the Part D Medicare Drug Plan coverage. Coverage under the entire plan, including Prescription Drug coverage, will be terminated as of the effective date of the Part D Medicare Drug Plan coverage. Since the District's prescription drug plan is included in its health plan, you will need to drop all coverage to enroll in the Medicare plan. Be aware that you and your dependents may not be able to get this coverage back until the Plan's next open enrollment date.**

Also note that if you drop or lose your coverage with Foothill-De Anza Community College District and fail to enroll in Medicare prescription drug coverage after your current coverage ends, you may pay more to enroll in Medicare prescription drug coverage later. If there is a gap in prescription drug coverage (that is at least as good as Medicare's prescription drug coverage) of 63 continuous days or longer your monthly premium will increase by at least 1% per month for every month after your initial enrollment period that you did not have that coverage. For example, if you go nineteen months without coverage, your premium will always be at least 19% higher than what most other people pay. You will have to pay this higher premium as long as you have Medicare coverage. In addition, you may have to wait until next November to enroll.

**You can join a Medicare drug plan when you first become eligible for Medicare and again each year from November 15<sup>th</sup> through December 31<sup>st</sup>.** This means that you may have to wait in order to join a Medicare drug plan and that you might be required to pay a higher premium (a penalty) if you join later. You will be obligated to pay higher premium (a penalty) as long as you have Medicare prescription drug coverage. **However, if you lose creditable prescription drug coverage through no fault of your own or decide to leave employer-sponsored coverage, you will be eligible to join Medicare Part D plan for a 60 day Special Enrollment Period (SEP) at that time.** You should compare your current coverage, including which drugs are covered and at what cost, versus the alternative Medicare prescription drug plans in your area.

**NOTE: You will receive this notice each year and before the next period you can enroll in Medicare prescription drug coverage, and/or if coverage changes. You also may request a copy.**

For more information about Medicare prescription drug coverage:

- Visit [www.medicare.gov](http://www.medicare.gov)
- 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](http://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 whether or not you are required to pay a higher premium (a penalty).**

Date:	October 15, 2009
Name of Entity/Sender:	Foothill- De Anza Community College District/ Christine Vo
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**Nothing in this notice gives you or your dependents a right to coverage under the Plan. Your (or your dependents') right to coverage under the Plan is determined solely under the terms of the Plan.**