



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

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.

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, are on average for all plan participants, expected to pay out as much as standard Medicare prescription drug coverage pays and are considered Creditable Coverage.
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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 join a Medicare drug plan.

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 do choose to enroll in a Medicare drug plan, you will not be able to keep your group health 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. 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 15th through December 31st. 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.

If you have any questions, please contact Christine Vo, Benefits Manager, via email VoChristine@fhda.edu. You can get additional information about Medicare Part D plans by visiting www.medicare.gov or call 1-800-633-4227 (TTY users 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 whether or not you are required to pay a higher premium (a penalty).

Date:	November 3, 2008
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