



2024 MEDICARE PART D NOTICE

Notice of Creditable Coverage | September 2024

ATTENTION: All Medicare-eligible members of The Heritage Group Health Plans and those members who will become Medicare-eligible during the next 12 months. The purpose of this letter, along with the Notice of Creditable Coverage on the next page, is to inform you that the prescription drug coverage provided under The Heritage Group Health Plan ("Group Drug Plan") qualifies as "creditable coverage" for purposes of Medicare Part D prescription drug coverage. This means that as long as you remain eligible for and participate in the Group Drug Plan, you do not have to enroll in and purchase one of the Medicare Part D Drug Plans to protect yourself against any subsequent late enrollment penalty if you or your dependent are:

- At least 65 and eligible for Medicare
- Disabled and eligible for Medicare
- Have/has end stage renal disease and is eligible for Medicare
- You are on COBRA and eligible for Medicare, or
- If you enter one of the above categories in the future.

For example, if you work until age 70, retire and then enroll in a Medicare Part D Prescription Drug Plan, you will not be required to pay a late enrollment penalty because our Group Drug Plan provided creditable coverage to you until your retirement; however, you must meet the enrollment guidelines of that Medicare Part D Drug Plan.

You should keep the attached Notice of Creditable Coverage in your important records file. You will be required to provide proof of your creditable coverage if you choose to purchase a Medicare Part D Drug Plan in the future. Please note that Medicare Part D coverage is not automatic. Once you no longer meet the participation requirements of the Group Drug Plan, you must take action (i.e., you must enroll in a timely manner in a Medicare Part D plan to continue to avoid any late penalty). You are responsible for providing a copy of this notice to your Medicare eligible dependents covered under this plan.





For additional detailed information about Medicare Part D Drug Plans, visit the Medicare website at: <http://www.medicare.gov/> . If you have questions regarding this notice, you may contact us at 1-800-303-0408 or EmployeeHub@thgrp.com.

Sincerely,
HR Shared Services

Important Notice from The Heritage Group About Your Prescription Drug Coverage and Medicare

Please read this notice carefully and keep it where you can find it. This notice has information about your current prescription drug coverage with your employer 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. If you are considering joining, 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.

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. The Heritage Group has determined that the prescription drug coverage offered by our The Heritage Group Health Plan 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 (a 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 or your beneficiary 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. Beneficiaries leaving employer/union coverage may also be eligible for a Special Enrollment Period to sign up for a Medicare prescription drug plan.

Prescription drug coverage is a mandatory part of your medical coverage with The Heritage Group and cannot be separated. You should compare your current coverage, including which drugs are covered at which cost, with the coverage and cost of the plans offering Medicare prescription drug coverage in your area as well as the cost of plans offering medical coverage that supplements Medicare Part A and Part B coverage.

What Happens To Your Current Coverage If You Decide to Join A Medicare Drug Plan?

- Remain enrolled in The Heritage Group Health Plan and/or
- Enroll in a Medicare prescription drug plan

In addition, your current coverage pays for other health expenses, in addition to prescription drugs, and you will still be eligible to receive all of your current health and prescription drug benefits if you choose to enroll in a Medicare prescription drug plan.

If you do decide to join a Medicare prescription drug plan and drop your Heritage Group medical/prescription drug coverage, be aware that you and your dependents may not be able to get this coverage back.

Please contact us for more information about what happens to your coverage if you enroll in a Medicare prescription drug plan.





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

You should also know that if you drop or lose your coverage with The Heritage Group and don't enroll in Medicare prescription drug coverage 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 (i.e., 19% higher than what many other people pay for their 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 This Notice Or Your Current 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 your copy 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 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, therefore, whether or not you are required to pay a higher premium (a penalty).

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