

Notice of Prescription Drug Creditable Coverage City of Chicago Retiree Healthcare Plan

The City of Chicago has determined that Retiree Healthcare Plan prescription drug benefits are, on average, “creditable coverage,” which means the City’s coverage is expected to pay as much (or more in some cases) as standard Medicare Prescription Drug Coverage.

Because the City’s prescription drug benefits are creditable coverage, you can choose to stay covered under the City’s Plan and join a Medicare plan later and not be subject to the higher Medicare premium penalty.

Keep this Notice. If you enroll for Medicare Prescription Drug Coverage, you may need a copy of this Notice when you enroll. This Notice verifies that you have creditable coverage and that you are not required to pay the higher premium penalty.

Your Choices and the Consequences

You should compare your current coverage with the coverage and cost of the Medicare plans in your area. Regardless of whether or not you or a dependent enroll for Medicare Prescription Drug Coverage, you will continue to receive your current prescription drug benefits under the City’s Plan (as long as you or your dependent are otherwise eligible to continue the City’s coverage). Remember that the City’s Plan also covers medical benefits, in addition to prescription drug benefits. **The premium you pay for coverage under the City’s Plan will not be affected by whether or not you enroll in Medicare Prescription Drug Coverage.**

However, if you or a dependent are eligible and enroll for Medicare Prescription Drug Coverage, your or your dependent’s prescription drug benefits under the City’s Plan will be secondary to, and will be coordinated with, your Medicare Prescription Drug Coverage. Also, remember that for most people there is a monthly premium for Medicare Prescription Drug Coverage.

Important Note: If you or a dependent are eligible for Medicare, drop or lose your coverage with the City, and do not enroll for Medicare Prescription Drug Coverage after your current coverage ends, you may pay more for Medicare Prescription Drug Coverage later. If you go 63 days or longer without prescription drug coverage that is at least as good as Medicare Prescription Drug Coverage, your monthly premium for Medicare Prescription Drug Coverage will increase. The increase will be 1% per month for every month that you were eligible for but did not have coverage. For example, if you go 19 months without coverage, your monthly premium will always be 19% higher than what most other people pay. You will have to pay the higher premium penalty as long as you have Medicare Prescription Drug Coverage. In addition, you may have to wait until the next open enrollment period (October 15 through December 7 each year) to enroll.

Eligible individuals who are entitled to Medicare Part A or enrolled in Part B can enroll for Medicare Prescription Drug Coverage when they are first eligible or during the annual Medicare enrollment period (between October 15 through December 7 each year). Medicare eligible individuals who lose or drop creditable prescription drug benefits may be eligible for a two month Special Enrollment Period to sign up for Medicare Prescription Drug Coverage. Detailed information about Special Enrollment Periods is included in the *Medicare & You* handbook sent to Medicare eligible individuals each fall.

(TURN THIS PAGE OVER FOR MORE INFORMATION)

For More Information About Medicare Prescription Drug Coverage

More information about Medicare Prescription Drug Coverage is available in the “Medicare & You” handbook that Medicare publishes and sends to Medicare beneficiaries each fall. You may also be contacted directly from Medicare prescription drug plans.

To get more information, you can:

- Visit www.medicare.gov for personalized help.
- Call your State Health Insurance Assistance Program (the telephone number is in the “Medicare & You” handbook).
- Call 1-800-MEDICARE (1-800-633-4227). TTY users should call 1-877-486-2048.

For people with limited income and assets, extra help paying for a Medicare Prescription Drug Coverage is available. Additional information is available from the Social Security Administration by:

- Visiting www.socialsecurity.gov/prescriptionhelp.
- Calling 1-800-772-1213 (TTY users should call 1-800-325-0778).

For More Information About this Notice or the City’s Prescription Drug Benefits

If you have any questions about this Notice or would like more information about your prescription drug benefits under the City’s Plan, please call the Benefits Management Office.

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 or if the City’s coverage changes. You also may request a copy at any time from the Benefits Management Office.

Date of Notice: September 2013
Entity/Sender: The City of Chicago
Contact: Benefits Management Office
Address: 333 South State Street, Room 400, Chicago, Illinois 60604-3978
Telephone Number: 1-877-299-5111
Web Site: www.cityofchicago.org/benefits

MEDICARE PART D ENROLLMENT

Medicare provides the City of Chicago enrollment information on Medicare Part D participants who also have City of Chicago coverage. If you or a covered dependent enroll in a Part D plan, or are defaulted into a Part D plan because of eligibility for a State or Federal program, and you want to disenroll, you must call Medicare. They will provide you with the necessary information to disenroll. You must then notify the Benefits Management Office so we can update our records.

Benefits under the City of Chicago Retiree Healthcare Plan may be modified, reduced, or terminated as specified in the legal documents that establish the Plan. The City expressly reserves all rights to make amendments or terminate the Plan as allowed by the legal documents that establish the Plan.