



City of New Albany, Indiana Human Resources/Group Benefits

Douglas B. England, Mayor

October 10, 2011

To all City of New Albany Employees and Union Retirees,

Please retain this letter and attached notice in your files (and all future notices) particularly if you (and/or your covered dependents) are eligible for the Medicare Part D Drug program.

Your Employer, The City of New Albany, is required by Medicare to annually notify all members enrolled in the City's Humana Insurance plan (Group #665341) and also the City's Humana Medicare Advantage Plan (Groups #249307, 249324 and 253122) that your current prescription drug plan is deemed CREDITABLE.

Creditable coverage means that the coverage is expected to pay, on average, as much as the standard Medicare prescription drug coverage. (Non-Creditable coverage, then, means prescription coverage does not meet a minimum standard of benefits).

The attached notice will provide **proof** of your membership in a Creditable Drug Plan and will consequently, save you from penalties if you or your dependents choose to enroll in a Medicare prescription drug coverage in the future.

As always, please feel free to phone me at 812.948.5333, if you have any questions about your Humana insurance plan or this Creditable Coverage Notice.

Regards,

PEARLINE J. ISOM
Director

Enclosure: Creditable Coverage Disclosure Notice, dated October 10, 2011.

Important Notice from The City of New Albany 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 The City of New Albany 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 City of New Albany has determined that the prescription drug coverage offered by the Humana Insurance, Co., 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 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.

Enclosure

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

If you decide to join a Medicare drug plan, you can keep your City of New Albany coverage and this plan will coordinate with Part D coverage. For those individuals who elect Part D coverage, see pages 7- 9 of the CMS Disclosure of Creditable Coverage To Medicare Part D Eligible Individuals Guidance (available at <http://www.cms.hhs.gov/CreditableCoverage>), which outlines the prescription drug plan provisions/options that Medicare eligible individuals may have available to them when they become eligible for Medicare Part D.

If you do decide to join a Medicare drug plan and drop your current The City of New Albany coverage, be aware that you and your dependents will not be able to get this coverage back until the next Open Enrollment period, which is from August 1st to August 31st of each year, with an effective date of September 1st. (For Union Retirees Over 65 years old and Medicare Parts A & B eligible, your Open Enrollment period is from December 1st to December 31st, with an effective date of January 1st.)

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 current coverage with The City of New Albany and don't join a Medicare drug plan 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. 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...

Contact the person listed below for further information.

Pearline J. Isom
Human Resources/Group Benefits, Room #324
812-948-5333
pisom@cityofnewalbany.com

NOTE: You'll get this notice each year. You will also get it before the next period you can join a Medicare drug plan and if this coverage through The City of New Albany changes. You also may request a copy of this notice at any time.

For More Information About Your Options Under Medicare 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).

Date:	October 10, 2011
Name of Entity/Sender:	The City of New Albany
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