

important notice from the County of Los Angeles about your prescription drug coverage and medicare

Please read this notice carefully and keep it where you can find it.

This notice provides information about your current prescription drug coverage under the County of Los Angeles (County) *Choices* Plan, the prescription drug coverage that will be provided under *Choices* as of January 1, 2013, and prescription drug coverage available for individuals with Medicare. It also explains the options you have under Medicare prescription drug coverage and can help you decide whether you want to enroll in this coverage. If you are considering enrolling in a Medicare prescription drug plan, you should compare your current coverage, including which drugs are offered and associated costs for those drugs, with the coverage and costs of the plans offering Medicare prescription drug coverage in your area. At the end of this notice is information about where you can get help to make decisions about your prescription drug coverage.

There are two important facts 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 through Medicare prescription drug plans and Medicare Advantage Plans (such as an HMO or PPO) that offer prescription drug coverage. All Medicare prescription 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 County has determined that the prescription drug coverage currently offered under CIGNA Network HMO, POS and PPO, Kaiser HMO, ALADS/Blue Cross Prudent Buyer and CaliforniaCare, CAPE/Blue Shield Lite and Classic, and Fire Fighters Local 1014 Medical Plan and the coverage that will be offered under these plans as of January 1, 2013, is on average for all plan participants who participate in any of these health plans expected to pay out as much as the standard Medicare prescription drug coverage will pay, and that such coverage is considered Creditable Coverage. Because all of the health plans available under *Choices* provide Creditable Coverage, you may elect any of these coverage options for the 2013 plan year and not pay a higher premium (a penalty) if you decide to enroll in a Medicare prescription drug plan on a later date, provided that you do not experience a 63-day break in coverage (as discussed in more detail below).

When Are You Eligible to Enroll in a Medicare Prescription Drug Plan?

You may enroll in a Medicare prescription drug plan when you first become eligible for Medicare and thereafter during each year from October 15th through December 7th.

If you lose your Creditable Coverage under *Choices* through no fault of your own, you will also be eligible for a two (2) month Special Enrollment Period to enroll in a Medicare prescription drug plan.

What Happens to Your Current Creditable Coverage if You Decide to Enroll in a Medicare Prescription Drug Plan?

If you participate in any of the **Kaiser, CIGNA or the ALADS/Blue Cross plans**, you may: (1) keep your existing coverage without enrolling in a Part D plan; (2) keep your existing coverage and enroll in a Part D plan as a supplement to that coverage; or (3) drop your existing coverage and enroll in a Part D plan. If you elect Medicare Part D coverage as a supplement to your existing **Kaiser or CIGNA** coverage, your current coverage will not be affected. Alternatively, if you elect Medicare Part D coverage through **Kaiser** and also assign Medicare Parts A and B to Kaiser, you will be placed in the Kaiser Sr. Advantage Plan, which will coordinate with Medicare.

If you participate in the **Fire Fighters Local 1014 Medical Plan**, you may: (1) keep your existing coverage and choose not to enroll in a Part D plan; or (2) drop your existing coverage and enroll in a Part D plan. If you elect Medicare Part D coverage, your coverage under the **Fire Fighters Local 1014 Medical Plan** will end.

If you decide to join a Medicare drug plan and drop your current coverage, you and your dependents would be able to reenroll in the future during a *Choices* open enrollment period.

Please contact the County of Los Angeles Benefits Plan Administrator 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 (a Penalty) to Join a Medicare Prescription Drug Plan?

It is important to note that if you drop or lose your coverage with the County and, although you are eligible to do so, you do not enroll in a Medicare prescription drug plan within 63 continuous days after your current coverage ends, you may pay a higher premium (a penalty) to enroll in a Medicare prescription drug plan on a later date.

If you go 63 continuous days or longer without Creditable Coverage, when you enroll in Medicare 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 such coverage. For example, if you go 19 months without Creditable Coverage, your premium under Medicare may consistently be at least 19% higher than the Medicare base beneficiary premium. You may have to pay this higher premium (a penalty) for as long as you have Medicare prescription drug coverage. Additionally, you may have to wait until the beginning of the next enrollment period for Medicare prescription drug plans (i.e., October 15th) to enroll in the Medicare coverage.

For More Information About this Notice or Your Current Prescription Drug Coverage...

Please contact the **County of Los Angeles Benefits Plan Administrator** at the address listed below or the **Benefits Hotline** at the phone number listed below for further information.

NOTE: You will receive this notice at other times in the future indicating that you may enroll in Medicare prescription drug coverage. For example, you will receive this notice prior to the next annual enrollment period during which you may enroll in Medicare coverage and you will also receive a notice if your current prescription drug coverage with the County changes. You may request a copy of this notice by contacting the **County of Los Angeles Benefits Plan Administrator** at the address or phone number listed below.

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. If you are eligible for Medicare, you will get a copy of the handbook in the mail every year from Medicare. You may also be contacted directly by Medicare prescription drug plans. For more information about Medicare prescription drug plans:

- 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, or
- Call 1-800-MEDICARE (1-800-633-4227). TTY users should call 1-877-486-2048.

For people with limited income and resources, extra help paying for Medicare prescription drug coverage is available. Information about this extra help is available from the Social Security Administration (SSA) online at www.socialsecurity.gov, or you may call them at 1-800-772-1213 (TTY 1-800-325-0778).

Remember to keep this notice. If you enroll in a Medicare drug plan, you may be required to provide a copy of this notice when you join to show that you maintained creditable coverage and that you are not required to pay a higher premium amount for coverage (a penalty).

Date: **September 15, 2012**

Entity providing this Notice: **County of Los Angeles**

Contact: **Benefits Plan Administrator**

Address: **3333 Wilshire Boulevard, Suite 1000, Los Angeles, CA 90010**

Benefits Hotline: **1-213-388-9982**