

Notice of Creditable Prescription Drug Coverage
For Medicare-Eligible Employees, Retirees, and Dependents
Enrolled in the State of Michigan Health Plans
August 1, 2012

This notice is for all current State employees, retirees, and dependents with prescription drug coverage under a health plan offered by the State of Michigan [including the State Health Plan PPO and approved Health Maintenance Organizations (HMOs)] who are Medicare-eligible or will become Medicare-eligible within the next 12 months.

IF YOU ARE NOT MEDICARE-ELIGIBLE AND WILL NOT BECOME MEDICARE-ELIGIBLE IN THE NEXT 12 MONTHS, YOU MAY DISREGARD THIS NOTICE.

If you are eligible for Medicare, you can enroll in a Medicare Part D prescription drug plan (Part D Plan) when you first become eligible for Medicare and each year thereafter between October 15 and December 7. However, if you lose your current creditable prescription drug coverage, through no fault of your own, you will also be eligible for a two-month Special Enrollment Period (SEP) to join a Medicare drug plan. All Part D Plans provide at least a standard level of coverage set by Medicare. You must decide whether to enroll in a Part D Plan or keep your State Health Plan prescription drug coverage. This notice gives important information to help you decide:

1. The State of Michigan has determined that the prescription drug coverage provided under its health plans is, on average for all plan participants, expected to pay out at least as much as the standard Medicare prescription drug coverage and is, therefore, considered creditable coverage.
2. Because the prescription drug coverage under the State health plans is creditable coverage, you can keep your State Health Plan prescription drug coverage; you do not have to enroll in a Part D Plan.
3. If you decide to enroll in a Part D Plan, you will not have to pay a penalty to enroll for Part D Plan coverage, unless you do not join the Part D Plan within 63 days after your State health plan prescription drug coverage ends. 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.
4. Your current State Health Plan coverage pays for other health expenses (hospitalizations, doctor visits, etc.) in addition to prescription drugs. You will still be eligible to receive these other benefits if you choose to enroll in a Part D Plan.

5. If you decide to enroll in a Part D Plan, **your prescription drug coverage under the State health plan will stop** and we cannot guarantee that you will be eligible to restore coverage if you later discontinue your Part D Plan.
6. **You do not need to take any action if you wish to continue your prescription drug coverage under your current State health plan.**

Please keep this Notice. If you enroll in a new Part D Plan approved by Medicare, you may be required to provide a copy of this Notice to avoid paying a higher premium amount.

This Notice of Creditable Coverage is provided by the Michigan Civil Service Commission, Employee Benefits Division, P.O. Box 30002, Lansing, MI 48909.

For questions regarding **this notice only** (and not general Medicare information), please call the MI HR Service Center at (517) 335-0529 or (877) 766-6447 or TDD for the hearing impaired (517) 241-8046. You will receive this notice annually. You also may request a copy from the Employee Benefits Division or print a copy of this notice from the Employee Benefits section of the Michigan Civil Service Commission website at www.michigan.gov/mdcs.

WHERE TO GET MORE INFORMATION ABOUT MEDICARE PART D:

More detailed information about Medicare plans that offer prescription drug coverage is in the “Medicare & You” handbook. 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:

1. Visit www.medicare.gov for personalized information. The “Medicare & You” booklet is also available for download on this site.
2. Call 1-800-MEDICARE (1-800-633-4227) or 1-877-486-2048 (TTY).
3. Call your State Health Insurance Assistance Program for personalized help. Michigan residents may call 1-800-803-7174. For other states, look in the “Medicare & You” handbook for telephone numbers.

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