



Important Notice from Houston Independent School District About Noncreditable Prescription Drug Coverage and Medicare

The purpose of this notice is to advise you that the prescription drug coverage listed below under the Houston Independent School District medical plan is not expected to pay out, on average, at least as much as the standard Medicare prescription drug coverage will pay in 2018. This is known as “noncreditable coverage.”

Why this is important. If you or your covered dependent(s) are enrolled in any prescription drug coverage during 2018 listed in this notice and are or become covered by Medicare, you may be subject to a late enrollment penalty (if you enroll after your applicable Medicare enrollment period) – unless you have “creditable” prescription drug coverage through a source other than the coverage listed below. You will not be subject to a late enrollment penalty if you do not go 63 days or longer without creditable prescription drug coverage. You should keep this notice with your important records.

Note: Some prescription drug programs offered by Houston Independent School District **do** provide creditable prescription drug coverage. If you are enrolled in (or interested in enrolling in) any drug coverage **not** listed in this notice, please review the Houston Independent School District companion notice entitled “Important Notice from Houston Independent School District about Creditable Prescription Drug Coverage and Medicare.”

If you or your family members aren’t currently covered by Medicare and won’t become covered by Medicare in the next 12 months, this notice doesn’t apply to you.

Please read the notice below carefully. It has information about prescription drug coverage with Houston Independent School District and prescription drug coverage available for people with Medicare. It also tells you where to find more information to help you make decisions about your prescription drug coverage.

Notice of Noncreditable Coverage

You may have heard about Medicare’s prescription drug coverage (called Part D), and wondered how it would affect you. Prescription drug coverage is available to everyone with Medicare through Medicare prescription drug plans. All Medicare prescription drug plans provide at least a standard level of coverage set by Medicare. Some plans also offer more coverage for a higher monthly premium.

Individuals can enroll in a Medicare prescription drug plan when they first become eligible, and each year from October 15 through December 7. Individuals leaving employer/union coverage may be eligible for a two (2) month Medicare Special Enrollment Period.

If you are covered by the Houston Independent School District prescription drug plan listed below, you’ll be interested to know that the prescription drug coverage under the plan is not, on average, at least as good as standard Medicare prescription drug coverage for 2018. This is called noncreditable coverage. This is important because, most likely, you will get more help with your drug costs if you join a Medicare drug plan than if you only have prescription drug coverage from the plan listed below. This is also important because it may mean that you may pay a higher premium (a penalty) if you do not join a Medicare drug plan when you first become eligible. You can keep your current coverage under the plan listed below. However, because your coverage is non-creditable, you have decisions to make about Medicare prescription drug coverage that may



affect how much you pay for that coverage, depending on if and when you join a drug plan. When you make your decision, you should compare your current coverage, including what drugs are covered, with the coverage and cost of plans offering Medicare prescription drug coverage.

Noncreditable Plan:

Discount Drug Plan

If you decide to enroll in a Medicare prescription drug plan and you are an active employee or family member of an active employee, you may also continue your employer coverage. In this case, the Houston Independent School District prescription drug plan will continue to pay primary or secondary as it had before you enrolled in a Medicare prescription drug plan. If you waive or drop Houston Independent School District coverage, Medicare will be your only payer. You can re-enroll in the employer plan at annual enrollment or if you have a special enrollment event for the Houston Independent School District plan, assuming you remain eligible.

Since coverage under the plan listed above is not creditable, depending on how long you go without creditable prescription drug coverage, you may pay a penalty to join a Medicare drug plan. Starting with the end of the last month that you were first eligible to join a Medicare drug plan but didn't join, if you go 63 days or longer without creditable prescription drug coverage (once your applicable Medicare enrollment period ends), your monthly Part D premium will go up at least 1% of the Medicare base beneficiary premium per month for every month that you did not have creditable coverage. For example, if you go 19 months without coverage, your Medicare prescription drug plan premium will always be at least 19% higher than the Medicare base beneficiary premium. You'll have to pay this higher premium as long as you have Medicare prescription drug coverage. In addition, you may have to wait until the following October to enroll in Part D.

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, if this Houston Independent School District coverage changes, or upon your request.

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. Medicare participants 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. Here's how to get more information about Medicare prescription drug plans:

- Visit www.medicare.gov for personalized help.
- Call your State Health Insurance Assistance Program (see a copy of the *Medicare & You* handbook for the telephone number).
- 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 a Medicare prescription drug plan is available. Information about this extra help is available from the Social Security Administration (SSA). For more information about this extra help, visit SSA online at www.socialsecurity.gov or call 1-800-772-1213 (TTY 1-800-325-0778).

For more information about this notice or your prescription drug coverage, contact:

Houston Independent School District
HISD Benefits Service Center
Address: C/O HISD, 4400 West 18th Street, Houston, TX 77092
Phone Number: 1-877-780-HISD (4473)
Web Address: www.hisdbenefits.org

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