

# NOTICE OF PRESCRIPTION DRUG COVERAGE AND MEDICARE

## HDHP and HDHP Buy-up Important Notice 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 prescription drug coverage available through Medicare. It also tells you where to find more information to help you make decisions about your prescription drug coverage. You may ask for another copy of this notice from the Cochise Combined Trust (CCT) at any time. Key points for you to remember:

1. Medicare prescription drug coverage (sometimes called Medicare Part D) is available to everyone with Medicare.
2. The prescription drug coverage offered to you by CCT HDHP and HDHP Buy-up is, on average for all plan participants, NOT expected to pay out as much as standard Medicare prescription drug coverage pays. Therefore, your coverage is considered Non-Credible 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. 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.
3. If you decide to keep your coverage through CCT's HDHP or HDHP Buy-up plan, because your coverage is non-credible, 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 the plans offering Medicare prescription drug coverage in your area.
5. If you have questions about this notice or would like more information about your coverage options, please contact your Personnel Office or Human Resources Department.

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For the upcoming year you have several coverage options:

1. **You may stay with your current plan offered by CCT.** However, since the coverage under CCT, 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 sixty-three (63) continuous days or longer without prescription drug coverage that's creditable, your monthly premium will be increased at least 1% for every month you did not have coverage. For example, if you go nineteen (19) months without coverage, your premium for a Medicare Prescription Drug plan will always be at least 19% higher than what most other people pay. You will have to pay this higher premium as long as you have Medicare Prescription Drug coverage. In addition, you may have to wait until the next November to enroll and until the next January to receive benefits.
2. **You may enroll in a stand-alone Medicare Prescription Drug plan to obtain Medicare Part D coverage.** All Medicare Prescription Drug plans will provide at least a standard level of coverage set by Medicare. Some plans might also offer more coverage for a higher monthly premium.

If you want to enroll in a Medicare Prescription Drug plan, open enrollment for the Medicare Prescription Drug plans runs from October 15th through December 7th of each year. Before enrolling in a Medicare Prescription Drug plan, please contact your Human Resources Department to discuss what health insurance coverage you have through CCT to avoid duplicate coverage.

3. **You may decide not to have any prescription drug coverage from either CCT's plan or from a Medicare Prescription Drug plan.** If you decide not to have any prescription drug coverage, you will have to pay a higher premium later (that is, pay a penalty), when you decide to enroll in a Medicare Prescription Drug plan. Later when you enroll in a Medicare Prescription Drug plan, your monthly premium will be increased at least 1% for every month you did not have coverage. For example, if you go nineteen (19) months without coverage, your premium for Medicare Prescription Drug plan will always be at least 19% higher than what most other people pay. You will

have to pay this higher premium as long as you have Medicare Prescription Drug coverage. In addition, you may have to wait until next November to enroll and until next January to receive benefits.

For more information about your current prescription drug coverage, please call the Prescription Customer Service number on your health insurance card.

If you have questions about this notice or would like more information about your options, please contact your Personnel Office or Human Resources Department.

More detailed information about Medicare plans that offer prescription drug coverage is available in the "Medicare & You" handbook, which is published annually by Medicare. You will get a copy of the handbook in the mail from Medicare. You can also get more information about Medicare prescription drug plans from:

- Visit [www.medicare.gov](http://www.medicare.gov) for personalized help.
- 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 plans is available. Information about this extra help can be obtained from the Social Security Administration (SSA) online at [www.socialsecurity.gov](http://www.socialsecurity.gov), or call 1-800-772-1213 (TTY 1-800-325-0778).

Keep this notice. If you enroll in a Medicare prescription drug plan in the future, you may need to give a copy of this notice to the plan to show that you are not required to pay a higher monthly premium. You may ask for another copy of this notice from CCT at any time.

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