

Important Notice from the Commonwealth of Virginia Health Benefits Program About Your Prescription Drug Coverage and Medicare

This notice is being provided to all Commonwealth of Virginia Health Benefits Program active employee participants who have been identified as:

- entitled to or eligible for Medicare, or who will be eligible for Medicare before the end of 2020

AND/OR

- covering family members who are entitled to or eligible for Medicare, or who will be eligible for Medicare by the end of 2020.

Please read this notice carefully and keep it where you and any Medicare-eligible covered family members can find it. This notice has information about your current prescription drug coverage with the Commonwealth of Virginia Health Benefits Program 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 to the 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 provided 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 Commonwealth of Virginia Health Benefits Program has determined that the prescription drug coverage offered by the COVA Care Plans, the COVA HealthAware Plans, the COVA HDHP (High Deductible Health Plans), the Kaiser Permanente HMO, and the Optima Health Vantage HMO (all plans offered to eligible active employees) 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 through 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.

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

If you decide to join a Medicare drug plan, your current Commonwealth of Virginia Health Benefits Program coverage for active employees will usually not be affected since your active employee coverage is generally primary to Medicare. However, coordination of benefits rules related to Medicare eligibility due to end stage renal disease will apply. Your current coverage pays for other health expenses in addition to prescription drugs. If you enroll in a Medicare prescription drug plan, you and your eligible family members will still be eligible to receive your current health and prescription drug benefits coordinated with Medicare.

If you do decide to join a Medicare drug plan and drop your current Commonwealth of Virginia Health Benefits Program coverage (per the policies and procedures of the Department of Human Resource Management and applicable law), you should be aware that you and/or your family member(s) will not be able to return to this coverage except with the occurrence of a qualifying midyear event that would be consistent with re-enrollment or at open enrollment. The Commonwealth of Virginia Health Benefits Program does not offer to active employees a medical plan that excludes prescription drug coverage. Consequently, you must either maintain full coverage under

an available Commonwealth of Virginia plan (including prescription drug coverage) or terminate coverage completely. You do not have the option of terminating only the prescription drug benefit under your Commonwealth of Virginia plan. Your employing agency's Benefits Administrator can provide additional information about making plan/membership changes or terminating coverage.

If, as an active employee/family member who is eligible for Medicare, you decide not to enroll in a Medicare drug plan, there will be no impact on your coverage in the Commonwealth of Virginia Health Benefits Program (unless eligibility is due to end stage renal disease).

At the time a participant and/or covered family member becomes eligible for Medicare, he/she may keep his/her state plan coverage