

# NOTICE OF CREDITABLE COVERAGE

## Important Notice for Non-Medicare Eligible Retirees from LACERA 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 current prescription drug coverage through your LACERA-administered medical group plan 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, including which drugs are covered at what cost, with the coverage and 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 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 Kaiser Permanente Senior Advantage HMO) or a Medicare Supplemental Plan (like Anthem Blue Cross Plan III) 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. LACERA has determined that the prescription drug coverage offered by the LACERA-administered medical plans (Anthem Blue Cross Prudent Buyer, Plan I, and Plan II; Cigna HMO; Kaiser Permanente HMO; and UnitedHealthcare HMO) are, 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.

**Medicare Eligible Retirees and Dependents:**  
This Notice does not apply to you, as you are already enrolled in a Medicare Part D Plan through LACERA.

## 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 to 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 Non-LACERA Medicare Drug Plan?

Upon becoming entitled to Medicare, if you sign up for a Non-LACERA Medicare Advantage Prescription Drug plan, you will no longer be eligible for Kaiser Permanente HMO, UnitedHealthcare HMO, or Cigna HMO coverage through LACERA. If you decide to join a Medicare drug plan, your LACERA-administered plan coverage for Medicare-eligible individuals may be affected. You and your dependents may no longer be eligible for LACERA's Medicare Advantage Prescription Drug HMOs (Kaiser Permanente Senior Advantage, Cigna Preferred with Rx (available in Maricopa County and Apache Junction, Pinal County, Arizona only), UnitedHealthcare Medicare Advantage, SCAN Health Plan, SCAN Desert Health Plan-Arizona (Maricopa, Pima, Pinal Counties), and SCAN Health Plan Nevada-Nevada (Clark and Nye Counties), and you will be disenrolled from medical and prescription drug coverage offered through LACERA. You and your eligible dependents will continue to be eligible for benefits under Anthem Blue Cross Plans I, II, III and Prudent Buyer. However, your LACERA coverage will pay secondary to Medicare.

Before you decide to enroll in a non-LACERA Medicare prescription drug plan, you should compare your LACERA plan options — including which drugs are covered — with the coverage and cost of the Medicare drug plans available in your area. **Please call LACERA at (800) 786-6464 prior to enrolling if you have any questions.**

If you do decide to join a Medicare drug plan and drop your current LACERA-administered medical coverage, be aware that you and your dependents will be able to get this coverage back; however, you will need to go through the waiting period for changing coverage.

## When Will You Pay a Higher Premium (Penalty) to Join a Medicare Drug Plan?

You should also know that if you drop or lose your current coverage with LACERA and don't join a Medicare drug plan within 63 continuous days after your current coverage ends, you may pay a higher premium (a penalty) to join a Medicare drug plan later.

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.

**Note:** You'll get this notice each year. You will also get it before the next period you can join a Medicare drug plan, and if this coverage through LACERA changes. You also may request a copy of this notice at any time or you may download it from [www.lacera.com](http://www.lacera.com).

### 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. You'll get a copy of the handbook in the mail every year from Medicare. You may also be contacted directly by Medicare drug plans.

### For More Information About Medicare Prescription Drug Coverage

- Visit [www.medicare.gov](http://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.
- Call (800) MEDICARE or (800) 633-4227. TTY users should call (877) 486-2048.

If you have limited income and resources, extra help paying for Medicare prescription drug coverage is available. For information about this extra help:

- Visit Social Security on the web at [www.socialsecurity.gov](http://www.socialsecurity.gov) or call Social Security at (800) 772-1213. TTY users should call (800) 325-0778.

**Remember: Keep this creditable coverage notice. If you decide to join one of the Medicare drug plans, you may be required to provide a copy of this notice when you join to show whether or not you have maintained creditable coverage and, therefore, whether or not you are required to pay a higher premium (a penalty).**

**Date:** June 2023

**Name of Entity/Sender:** LACERA

**Address:** Retiree Healthcare Division  
P.O. Box 7060  
Pasadena, CA 91109-7060

**Phone Number:** (800) 786-6464

**Access My LACERA:** Go to the [lacera.com](http://lacera.com) homepage. Click on the My LACERA logo at the bottom of the page and "Sign-in" or "Sign-up."

**Website:** [www.lacera.com](http://www.lacera.com)



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