

# NOTICE OF CREDITABLE COVERAGE PLAN YEAR 2020

This notice applies to you if you are both:

- entitled to Medicare Part A and/or enrolled in Medicare Part B and
- enrolled in Texas Employees Group Benefits Program health insurance.

Important notice from the Employees Retirement System of Texas (ERS) about your Texas Employees Group Benefits Program (GBP) prescription drug coverage and Medicare Prescription Drug Coverage (sometimes called Part D).

**Please read this notice carefully and keep it where you can find it. No action is required of you at this time.**

Federal law requires ERS to send this notice to people who may be eligible for Medicare Prescription Drug Coverage and are enrolled in health insurance that is part of the GBP provided by the State of Texas. You have GBP prescription drug coverage through your GBP enrollment with HealthSelect<sup>SM</sup> of Texas, administered by UnitedHealthcare, or one of the other health plans offered by the state.

This notice provides:

- important information about your current prescription drug coverage,
- answers that will assist you in deciding whether you should purchase Medicare Prescription Drug Coverage,
- contact numbers for more information and
- a document that you can use later to avoid a penalty for late enrollment in Medicare Prescription Drug Coverage.

## **Q. What is Medicare Prescription Drug Coverage (sometimes called Part D)?**

**A.** Medicare Prescription Drug Coverage is a prescription program that is available to people who qualify for Medicare Part A or Medicare Part B. Medicare Prescription Drug Coverage started on January 1, 2006.

## **Q. What is creditable coverage and does GBP coverage meet this definition?**

**A.** The prescription drug coverage offered by the GBP has been examined by ERS' consulting actuaries and is, on average for all plan participants, expected to pay out as much as standard Medicare Prescription Drug Coverage pays. The GBP is therefore considered to be creditable coverage.

## **Q. Why is creditable coverage important to Medicare-eligible participants in the GBP?**

**A.** Because you have creditable coverage under the GBP, the Social Security Administration (SSA) has said that you will not have to pay a penalty if you join a private Medicare prescription drug plan later. Each year, there is an enrollment period that allows people with Medicare to enroll in private Medicare Prescription Drug Coverage. Although you will have a chance to enroll every year, normally you would have to pay a penalty if you enrolled after your initial eligibility date. However, because you have creditable coverage under the GBP, you can choose to join a private Medicare prescription drug plan later without a penalty.

## **Q. Should I enroll in private Medicare Prescription Drug Coverage?**

**A.** Most Medicare-eligible participants in the GBP should NOT enroll in private Medicare Prescription Drug Coverage because, for most people, the GBP prescription drug coverage will provide better benefits at a lower cost. If you qualify for financial assistance, you could benefit from private Medicare Prescription Drug Coverage and you would get savings on premiums, copays and coinsurance.

## **Q. How do I know if I qualify for financial assistance with private Medicare Prescription Drug Coverage?**

**A.** Financial assistance is available to Medicare beneficiaries with incomes up to 150% of the Federal Poverty Level (FPL) and limited resources. The FPL is set each year. ERS does not make this determination or set the guidelines. To determine if you qualify for financial assistance with private Medicare Prescription Drug Coverage, you should contact the SSA toll-free at (800) 772-1213. TTY users should call toll-free at (800) 325-0778. Or visit SSA online at [www.socialsecurity.gov](http://www.socialsecurity.gov).

## Q. Is private Medicare Prescription Drug Coverage free?

**A.** No. If you enroll in private Medicare Prescription Drug Coverage, you will pay a monthly premium. The amount will likely increase each year. You will also have to pay the private Medicare Prescription Drug Coverage deductibles and copays. Currently, the deductible may be as high as \$415, and will increase to \$435 in 2020.

## Q. How does private Medicare Prescription Drug Coverage work?

**A.** Medicare Prescription Drug Coverage is offered through private prescription drug plans that have been approved by Medicare. All private Medicare prescription drug plans offer a standard level of coverage set by Medicare. Some plans might also offer more coverage for a higher monthly premium. If you enroll in a private Medicare prescription drug plan, you will receive a prescription drug card that you will present to your pharmacy to cover a portion of your prescription drug costs.

## Q. Will private Medicare Prescription Drug Coverage have any effect on my medical plan under the GBP?

**A.** Yes, if the private Medicare Prescription Drug plan also includes Medicare Advantage medical coverage. Medicare rules do not allow you to be enrolled in a GBP Medicare Advantage plan (HealthSelect<sup>SM</sup> Medicare Advantage, or KelseyCare Advantage MA HMO) and a private Medicare Prescription Drug plan that includes Medicare Advantage medical coverage at the same time. If you enroll in private Medicare Prescription Drug Coverage and it has a Medicare Advantage medical plan included, your medical coverage with the GBP Medicare Advantage plan will be terminated and you will be automatically enrolled in your previous non-Medicare Advantage plan under the GBP. If you are enrolled in a non-Medicare GBP medical plan, there is no change to your medical coverage.

If you enroll in ERS' HealthSelect Medicare Advantage or KelseyCare Advantage MA HMO, and do not decline ERS' HealthSelect Medicare RX prescription drug coverage, your private Medicare Prescription Drug Coverage will be terminated.

## Q. Will private Medicare Prescription Drug Coverage have any effect on HealthSelect Medicare Rx?

**A.** Yes. Medicare rules do not allow you to be in two different Medicare prescription plans at the same time. If you enroll in a private Medicare prescription plan you will no longer be eligible for the HealthSelect<sup>SM</sup> Medicare Rx plan and will lose all prescription coverage through ERS.

## Q. Most GBP participants were encouraged not to enroll in private Medicare Prescription Drug Coverage last year. What about future years?

**A.** You do not need to sign up for private Medicare Prescription Drug Coverage for the coming plan year. However, you should know that if you drop or lose your coverage under the GBP and do not enroll in private Medicare Prescription Drug Coverage within 63 days after your current GBP coverage ends, you may be required to pay more to enroll in private Medicare Prescription Drug Coverage later.

## Q. Where can I get more information?

**A.** More detailed information about private Medicare plans that offer prescription drug coverage is available in the *Medicare & You* handbook. You may have received a copy of the handbook in the mail from Medicare. The handbook is also available at the website below. You may also be contacted directly by approved, private Medicare prescription drug plans. To get more information about private Medicare prescription drug plans:

- Visit **[www.medicare.gov](http://www.medicare.gov)** for personalized help.
- Call your State Health Insurance Assistance Program. (See your copy of the *Medicare & You* handbook for their telephone number.)
- Call toll-free at (800) MEDICARE (800) 633-4227. TTY users should call (877) 486-2048.

**NOTE:** *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 or if this coverage changes. You may also request a copy of this notice by calling ERS toll-free at (877) 275-4377.*

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**Keep this notice.** If you enroll in one of the Medicare-approved prescription drug plans at a later date, you may need to submit a copy of this notice when you join to show that you are not required to pay a higher premium amount.