



# Town of Northborough

## Finance Department

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**To: All Benefit Eligible Employees and Retirees**

From: Kristi Dagle, Assistant Treasurer/Collector

Date: October 14, 2020

**RE: Important Information About Your Health Insurance**

You may have heard about the changes to Medicare in recent years. Among these changes is the addition to **Medicare Part D** that provides for Prescription Drug coverage. This change and its accompanying regulations are complex and far-reaching. The Town of Northborough is pleased to inform you that our Employee Medical Insurance Plans from Fallon Community Health Plan HMO, Fallon Preferred Care PPO, Blue Shield of Massachusetts Medex II, Fallon Senior, Tufts Medicare Complement, and Tufts Medicare Preferred HMO have passed the "Gross Value Test" and are considered by these Insurers to offer "Creditable Coverage." What this means is that an actuarial review of the prescription drug coverage in these plans has proved them to be equal or greater than the benefit provided by Medicare Part D.

If you are an active Employee or the spouse of an active Employee (still working) of the Town of Northborough who is currently covered by one of the plans listed above and are **MEDICARE ELIGIBLE**, you do not need to apply for Medicare D at this time and will not be subject to any late filing "penalty" as long as you remain employed by the Town of Northborough and enrolled in these Health Plans. When you cease to be employed by the Town of Northborough, you will be eligible to apply for Medicare Part D. There is no need for you to apply for this Medicare Benefit at this time.

If you are a Retiree and enrolled in any of the health plans offered, **you do not have to apply for Medicare Part D**. We feel that the prescription drug coverage in your plan is superior to Medicare D and you will receive no significant advantage by participating. Because this plan has passed the "Gross Value Test", **you will not be subject to any late enrollment penalties should you choose to enroll in Medicare Part D at some future date.**

Enclosed with this letter for your records is the **Notice of Creditable Coverage**. **This is an important document about your Medical Insurance and should be kept with you other important documents.**

If you have any questions please call Kristi Dagle in the Treasurer's Office at (508)393-5047. Our office is open Monday, Wednesday, or Thursday from 8AM to 4PM, Tuesday from 8AM to 7PM, or Friday from 7AM to noon.

Sincerely,

Kristi Dagle  
Assistant Treasurer/Collector, Town of Northborough

## **Important Notice from Town of Northborough 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 with Town of Northborough 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 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 Town of Northborough has determined that the prescription drug coverage offered by The Town of Northborough 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.**

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### **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 15<sup>th</sup> to December 7<sup>th</sup>**.

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 Town of Northborough coverage will not be affected. If you or your dependents are Medicare Part D eligible, there are certain options available to you:

- Retain your existing coverage and choose not to enroll in a Part D plan; or
  - Enroll in a Part D plan as a supplement to your existing coverage with The Town of Northborough.
- Note: Information about the prescription drug plan provisions/options available to Medicare Part D eligible individuals is available at <http://www.cms.hhs.gov/CreditableCoverage/>

If you do decide to join a Medicare drug plan and drop your current The Town of Northborough coverage, be aware that you and your dependents will be able to get this coverage back during the qualified life event or the annual open enrollment period for **The Town of Northborough** group plan.

### **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 The Town of Northborough 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.

### **For More Information About This Notice Or Your Current Prescription Drug Coverage...**

Contact the person listed below for further information [or call Kristi Dagle at (508) 393-5047]. **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 Town of Northborough changes. You also may request a copy of this notice at any time.

### **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 1-800-MEDICARE (1-800-633-4227). TTY users should call 1-877-486-2048.

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 them at 1-800-772-1213 (TTY 1-800-325-0778).

**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)**

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| Date:                     | 10/14/2020                             |
| Name of Entity/Sender:    | Town of Northborough                   |
| Contact--Position/Office: | Kristi Dagle                           |
| Address:                  | 63 Main Street, Northborough, MA 01532 |
| Phone Number:             | 508-393-5047                           |

CMS Form 10182-CC

Updated April 1, 2011

According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0938-0990. The time required to complete this information collection is estimated to average 8 hours per response initially, including the time to review instructions, search existing data resources, gather the data needed, and complete and review the information collection. If you have comments concerning the accuracy of the time estimate(s) or suggestions for improving this form, please write to: CMS, 7500 Security Boulevard, Attn: PRA Reports Clearance Officer, Mail Stop C4-26-05, Baltimore, Maryland 21244-1850.