

**TOWN OF NEW CANAAN**  
**Human Resources Department**  
**77 Main Street**  
**New Canaan, CT 06840**



To: All Employees  
From: Town of New Canaan  
Date: October 1, 2023  
Re: Medicare Prescription Drug Coverage – Part D

The Medicare program was expanded in 2006 to include a prescription drug option, Part D. The attached notice will impact you directly if you or your Spouse (or another dependent) are **currently eligible for Medicare**. For example:

- 1) You (or your Dependent) are **age 65 or older**, or
- 2) You (or your Dependent) are **disabled**, as defined by the Social Security Administration, and are receiving Social Security disability payments.

***NOTE: If you do not meet either of the above criteria, there is absolutely no action needed on your part at this time. We recommend that you simply keep this notice with your other important paperwork about our health plan.***

For those of you in either the first or second category, the annual open enrollment period to apply for a Medicare Part D prescription drug plan will commence from October 15, 2023, through December 7, 2023. Just like Medicare's Part B (medical care) coverage, there is a separate premium cost associated with the purchase of prescription drug coverage. In order to encourage people to sign up for a Part D plan when they are first eligible, the regulations impose a surcharge (or penalty) if you wait to enroll in the prescription drug plan at a later date.

Important: this late enrollment penalty is waived if you are covered by another "creditable" prescription drug plan. Please refer to the attached notice to determine if you are in a creditable or not-creditable plan.

Once you (or your Dependent) are no longer covered by our health insurance, for example if you terminate your employment, retire, or reduce your hours, the attached notice will be needed as proof of your "creditable" coverage status. As long as you sign up for Part D within 63 days after coverage with our plan ends, you will avoid the premium penalty.

It is therefore very important that you keep a copy of this information for future reference. Otherwise, your application for Medicare's prescription drug coverage will be looked upon as being "late", you will be forced to wait until the next open enrollment period in October of each year and your Medicare prescription drug coverage's effective date will be deferred until the following January 1<sup>st</sup>.

Please note that you are responsible for providing a copy of the notice to your dependents that are covered under the group plan and are eligible for Medicare. This notice is available at any time upon request and can be obtained from Human Resources.

## **MEDICARE NOTICE OF CREDITABLE COVERAGE**

### **Important Notice About Your Prescription Drug Coverage and Medicare**

#### **Notice of Creditable Coverage**

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**This Notice applies only if you and/or your dependent(s) are enrolled in a Town of New Canaan medical plan and you are eligible for Medicare. If this does not apply to you, you may ignore this notice.**

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**Please read this notice carefully and keep it where you can find it. This notice has information about your prescription drug coverage with the Town of New Canaan for the upcoming calendar year and 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 for the upcoming calendar year. If you are considering joining, you should compare your employer coverage for the upcoming calendar year, 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 employer 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 New Canaan has determined that the prescription drug coverage offered under the Town of New Canaan plan(s) in the next calendar year 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 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 to December 7th. However, if you lose your creditable prescription drug coverage during the upcoming calendar year 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 Employer Coverage If You Decide to Join A Medicare Drug Plan?**

Your health plan coverage pays for other health expenses in addition to prescription drug. If you enroll in a Medicare prescription drug plan, you and your eligible dependents may or may not be eligible to receive all of your current health and prescription drug benefits. If you do decide to join a Medicare drug plan and drop your employer coverage for the upcoming calendar year, be aware that you and your dependents may not be eligible to receive health and prescription drug benefits in the future.

## **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 employer coverage and don't join a Medicare drug plan within 63 continuous days after the 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 Employer Prescription Drug Coverage...**

Contact the person listed below for further information. **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 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).**

September 25, 2023  
Town of New Canaan  
April Connor / Payroll – Benefits Administrator  
77 Main Street  
New Canaan, CT 06840  
203-594-3086