

## **Notice of Creditable Coverage - October 2021**

This Notice of Creditable Coverage contains important information about your current prescription drug benefit with SAG-AFTRA Health Plan (the Plan) and your options under Medicare's prescription drug coverage. Please read it carefully and keep it with your important health care documents.

This information can help you decide whether or not you want to join a Medicare drug plan and can also help prevent higher premiums if you do decide to enroll. If you are considering joining a Medicare plan, you should compare your current coverage, including which drugs are covered at what cost, with the coverage and costs of the various plans offering Medicare prescription drug coverage in your area.

### **Key information**

- Medicare prescription drug coverage became available in 2006 to everyone with Medicare through Medicare Prescription Drug Plans and Medicare Advantage plans that offer prescription drug coverage. All Medicare drug plans provide at least a standard level of coverage set by Medicare. Some plans may offer more coverage for a higher premium.
- The Plan's existing prescription drug benefits have been determined to be "creditable coverage," which means that the Plan is expected to pay as much in claims for all participants as the standard Medicare prescription drug benefit.
- You do not need to join a Medicare drug plan as long as you have coverage under our Plan, because your Plan drug coverage is comparable to the standard Medicare benefits. If you do enroll in a Medicare drug plan, you will not be eligible for prescription drug coverage from the 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 15 through December 7. If you lose your Plan prescription drug coverage at any time, you may be eligible for a two-month Special Enrollment Period to sign up for a Medicare drug plan.

### **Your choices and the consequences**

If you do not enroll in a Medicare drug plan, you will continue to receive your current prescription drug benefits from the Plan as long as you are otherwise eligible for coverage. The Plan also covers hospital and medical benefits and does not require a separate premium for prescription drug coverage.

If you enroll in a Medicare drug plan, you will no longer receive prescription drug coverage from the Plan. However, you will continue to receive medical and hospital benefits as long as you continue to pay the Plan premium and are otherwise eligible for coverage. If you enroll in a Medicare drug plan and later drop that coverage, you can again receive your prescription drug coverage from the Plan, provided you are still otherwise eligible. Your Plan prescription drug coverage will be effective the first of the month after your Medicare drug plan coverage ends.

### **When will you pay a higher premium (penalty) to join a Medicare drug plan?**

If you drop or lose coverage with the Plan and do not enroll in a Medicare drug plan within 63 continuous days after your coverage ends, you may pay a higher premium (a penalty) to join a Medicare drug plan later. If you go 63 days or longer without prescription drug coverage that is as good as Medicare's drug coverage, your monthly Medicare Part D premium may increase by at least 1% for each month that you did not have that coverage. For example, if you go 19 months without coverage, your premium for Medicare drug coverage may be at least 19% higher than what you would have paid had you enrolled as soon as you lost your Plan coverage.

You may have to pay this higher premium for as long as you have Medicare drug coverage. You may also have to wait until the following October to join.

### **For more information about this notice or the Plan's prescription drug coverage**

Call the Plan at (800) 777-4013. An updated copy of this Notice will be provided annually. You will also get it before the next period you can enroll in Medicare prescription drug coverage and if this coverage through the Plan changes. You may also request a copy at any time by contacting the Plan or visiting our website at [www.sagafraplan.org/health](http://www.sagafraplan.org/health).

***Benefits under the SAG-AFTRA Health Plan are not vested or guaranteed. They may be modified, reduced or terminated at any time by the Board of Trustees.***

### **For more information about your options under Medicare prescription drug coverage**

Detailed information about Medicare plans that offer prescription drug coverage is in the "Medicare & You" handbook. You will get a copy in the mail every year from Medicare. You may also be contacted directly by Medicare prescription drug plans. To get more information, you can:

- Visit [www.medicare.gov](http://www.medicare.gov)
- Call your State Health Insurance Assistance Program (see "Medicare & You" or [www.medicare.gov/contacts](http://www.medicare.gov/contacts) for phone number)
- Call 1-800-MEDICARE (1-800-633-4227); TTY users should call 1-877-486-2048

If you have limited income and assets, extra help paying for Medicare prescription drug coverage is available. Information about this help is available from the Social Security Administration:

- Visit [www.socialsecurity.gov](http://www.socialsecurity.gov)
- Call 1-800-772-1213 (TTY 1-800-325-0778)

**Keep this Notice of Creditable Coverage**

If you enroll in a Medicare drug plan, you may be required to provide a copy of this Notice when you enroll to avoid paying a higher premium. This Notice verifies that you have creditable coverage with the SAG-AFTRA Health Plan so that you are not required to pay the higher premium.