



October 14, 2020

**Important Notice from City of Fond du Lac 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 City of Fond du Lac 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. City of Fond du Lac has determined that the prescription drug coverage offered by City of Fond du Lac Group Benefit Plan 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.

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.



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.

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 City of Fond du Lac coverage will be affected. This plan coordinates benefits with Medicare. The City of Fond du Lac provides the following prescription drug benefits:

Prescription Schedule of Benefits – Optum RX

<p>By Participating Retail Pharmacy</p> <ul style="list-style-type: none"> Covered Person’s Co-pay Amount <ul style="list-style-type: none"> Generic Products \$10 Preferred Brand Product \$30 Non-preferred Brand products \$60 	<p>For Up To a 34-Day Supply</p>
<p>Retail 90 Rx By Participating Retail Pharmacy</p> <ul style="list-style-type: none"> Covered Person’s Co-pay Amount <ul style="list-style-type: none"> Generic Products \$30 Brand Products \$90 Non-preferred Brand products \$180 	<p>For Up To a 3 Month Supply (at least 84 days)</p>
<p>By Participating Mail Order Pharmacy</p> <ul style="list-style-type: none"> Covered Person’s Co-pay Amount <ul style="list-style-type: none"> Generic Products \$20 Brand Products \$60 Non-preferred Brand products \$120 	<p>For Up To A 90 Day Supply</p>
<p>By Specialty Pharmacy Vendor</p> <ul style="list-style-type: none"> Covered Person’s Co-pay Amount <ul style="list-style-type: none"> Generic Products \$10 Brand Products \$30 	<p>For Up To A 34-Day Supply</p>
<p>By Non-Participating Pharmacy</p>	<p>Use of a Non-Participating Pharmacy, requires payment for the prescription upfront. The covered person can then submit a claim reimbursement form with a receipt to Optum RX for reimbursement. Reimbursement for covered prescription products will be based on the lowest contracted amount of a participating pharmacy minus any applicable deductible and/or retail co-pay shown in this schedule.</p>



If you choose to cancel your City of Fond du Lac health Insurance plan which includes the above prescription drug coverage, you may or may not be able to get the City coverage back at a later date.

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 coverage with City of Fond du Lac 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 our office for further information at (920) 322-3623. Note: You will receive this notice each year. 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, and if this coverage through City of Fond du Lac changes. You may also 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 prescription drug plans. For more information about Medicare prescription drug coverage:

- Visit www.medicare.gov
- Call your State Health Insurance Assistance Program
- Call 1-800-Medicare (1-900-633-4227). TTY users should call 1-877-486-2048.

For people with limited income and resources, extra help paying for a Medicare prescription drug plan is available. Information about this extra help is available from the Social Security Administration (SSA). For more information about this extra help, visit SSA online at www.socialsecurity.gov or call them at 1-800-772-1213 (TTY 1-800-325-0778)



SAVE THIS DOCUMENT

Premium Assistance Under Medicaid and the Children’s Health Insurance Program (CHIP)

If you or your children are eligible for Medicaid or CHIP and you’re eligible for health coverage from your employer, your state may have a premium assistance program that can help pay for coverage, using funds from their Medicaid or CHIP programs. If you or your children aren’t eligible for Medicaid or CHIP, you won’t be eligible for these premium assistance programs but you may be able to buy individual insurance coverage through the Health Insurance Marketplace. For more information, visit www.healthcare.gov and/or <http://www.badgercareplus.org/pubs/p-10095.htm> Phone: 1-800-362-3002

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: October 14, 2020
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