

This Notice Applies to:

- AlaskaCare Employee Health Plan
- AlaskaCare Retiree Health Plan

Notice date is January 1, 2024



Important Notice from AlaskaCare About Prescription Drug Coverage and Medicare

This notice has information regarding your AlaskaCare prescription drug coverage and the options available to you. This information can help you decide if joining a Medicare drug plan is right for you. If you are considering joining, compare your current AlaskaCare coverage, including which drugs are covered and at what cost, with the coverage and costs of the plans offering Medicare prescription drug coverage in your area. If you would like assistance with choosing the right prescription drug coverage, please see the end of this notice.

Medicare prescription drug coverage is available to Medicare eligible people through Medicare Prescription Drugs Plans (PDPs) and Medicare Advantage Plans (like an HMO or PPO) that offer prescription drug coverage. All Medicare drug plans provide a standard level of coverage set by Medicare. Some other plans may also offer more coverage for a higher monthly premium.

The State of Alaska has determined that the prescription drug coverage is “creditable” under the AlaskaCare Health Plan. “Creditable” means that the value of the Plan’s prescription drug benefit is, on average for all plan participants, expected to pay out as much as standard Medicare prescription drug coverage pays. Because the plan options noted above are Creditable Coverage, you can elect or keep prescription drug coverage under the plan and not pay a higher premium (a penalty) if you later decide to enroll in a Medicare prescription drug plan.

When Can You Join a Medicare Drug Plan?

You can join a Medicare drug plan when you first become eligible for Medicare or during Medicare’s annual election period (from October 15 to December 7). You may also be eligible for a two (2) month Special Enrollment Period (SEP) to join a Medicare drug plan in some special circumstances.

What Happens to Your Current Coverage if You Decide to Join a Medicare Drug Plan?

You can select or keep your current prescription drug coverage with the AlaskaCare plan, and you do not have to enroll in a Medicare prescription drug plan. If you decide to join a Medicare drug plan, your AlaskaCare coverage may be affected.

When will You Pay a Higher Premium (Penalty) to Join a Medicare Drug Plan?

If you lose or drop your AlaskaCare coverage 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 Medicare prescription drug coverage or a creditable prescription drug plan.

For example, if you go 19 months without creditable coverage, your premium will always 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, if you go 63 days or longer without prescription drug coverage you may have to wait until the following October to enroll for Medicare prescription drug coverage.

For more information about this notice contact the **Alaska Medicare Information Office at (800) 478-6065 or in Anchorage at (907) 269-3680.**

For more information about your AlaskaCare Prescription Drug Coverage, contact **OptumRx at (855) 409-6999.**

NOTE: This notice will be sent to you each year, before the next available period in which you can join a Medicare drug plan, and if there are any changes to your AlaskaCare prescription drug coverage. You also may request a copy of this notice at any time.

For More Information About Your Options Under Medicare Prescription Drug Coverage

For more detailed information about Medicare plans that offer prescription drug coverage, please see the “Medicare & You” handbook. Every year Medicare will send a copy of the handbook through the mail. Medicare may also contact you directly regarding their drug plans. For more information about Medicare prescription drug coverage please see the following:

- Visit [medicare.gov](https://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 (800) MEDICARE (1-800 -633-4227). TTY users should call (877) 486-2048.

If you have limited income and resources, assistance in paying for Medicare prescription drug coverage is available. For information about payment assistance, please visit Social Security on the web at [socialsecurity.gov](https://www.socialsecurity.gov), or call at (800) 772-1213. TTY users should call (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 in order to show whether you have maintained creditable coverage and, therefore, whether you are required to pay a higher premium (a penalty).

Name of Sender: State of Alaska, Division of Retirement and Benefits

Contact: Member Services Center

Address: P.O. Box 110203, Juneau, AK 99811-0203

Telephone: (907) 465-4460 Toll Free: (800) 821-2251