



GARDEN GROVE UNIFIED SCHOOL DISTRICT

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Dear GGUSD Medical Plan Member:

The enclosed notice has information regarding your current prescription drug coverage with the Garden Grove Unified School District and about your options under Medicare's prescription drug coverage. Read the notice carefully and keep a copy of it for your records; it explains the options available through the Medicare Part D prescription drug coverage. It can help you decide whether or not you want to enroll.

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:

- 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.
- Garden Grove Unified School District has determined that the prescription drug coverage offered by the District is, on average for all plan participants, expected to pay out as much as the standard Medicare Part D prescription drug coverage 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 1st 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.

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 Garden Grove Unified School District coverage under the self-funded EPO and PPO plans and United HealthCare may be affected.

If you decide to enroll in a Medicare Part D prescription drug plan and drop your Garden Grove Unified School District prescription drug coverage, be aware that you may not be able to get this coverage back.

You should compare your current coverage, including which drugs are covered, with the coverage and cost of the plans offering Medicare Part D prescription drug coverage. See *Medicare & You* handbook for plans offered in your area.

Your current coverage pays for other health expenses in addition to prescription drug coverage. You **will not** be eligible to receive all of your current health and prescription drug benefits if you choose to enroll in a Medicare Part D prescription drug 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 coverage with the Garden Grove Unified School District and don't enroll in Medicare Part D prescription drug coverage within 63 calendar 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 will increase 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 19 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

Garden Grove Unified School District
Insurance Department
10331 Stanford Avenue
Garden Grove, CA 92840
Telephone: (714) 663-6523

You will receive a copy of this notice each year before the next open enrollment period for Medicare drug plan, and if this coverage through the Garden Grove Unified School District changes. You may also request a copy of this notice at any time by contacting the Insurance Department.

Medicare Prescription Drug Information Contacts

More detailed information about Medicare plans offering prescription drug coverage is available in the *Medicare & You* handbook. You should receive a copy in the mail from Medicare each year. You may also be contacted directly by Medicare drug plans.

More information regarding the Medicare Part prescription drug plans is available through:

- The www.medicare.gov website for personalized help.
- Your State Health Insurance Assistance Program (telephone number is in Medicare & You handbook).
- Medicare at 1-800-MEDICARE (1-800-633-3227). TTY users should call 1-877-486-2048.

For persons with limited income and resources, financial assistance for the Medicare Part D Prescription Drug Plan is available. To obtain information regarding financial assistance from the Social Security Administration (SSA), visit SSA online at www.socialsecurity.gov or call 1-800-772-1213. TTY users should call 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).