



North Carolina State Health Plan for Teachers and State Employees  
100 Benefitfocus Way  
Charleston, SC 29492

September 2015

<First Name> <Middle Name> <Last Name> <Suffix>  
<Address>  
<Address>  
<City>, <State> <Zip>

**Important Notice from  
North Carolina State Health Plan  
for Teachers and State Employees  
About Your Prescription Drug  
Coverage and Medicare**

Dear <First Name> <Middle Name> <Last Name> <Suffix>:

You are receiving this notice because you **are currently enrolled in the Traditional Pharmacy Plan with the North Carolina State Health Plan (Plan), you are 65 or older or you will be turning 65 in 2016.** Please read this notice carefully and keep it where you can find it for future reference.

Please note: If you will turn 65 in 2016, the State Health Plan may auto-enroll you in a Group Medicare Advantage plan with Humana or UnitedHealthcare. If you do not want a Medicare Advantage plan, you have the option to change and enroll in the Traditional 70/30 plan as a Medicare primary member. If you choose that option, this notice applies to you.

This important notice has information about your current prescription drug coverage with the Plan and about your options under Medicare's prescription drug coverage. This information can help you decide whether 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 prescription drug coverage decisions 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. The Plan has determined that the prescription drug coverage offered by the 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.**

(over, please)

<Form Code>

## **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 to December 7.

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 coverage under the Plan will be affected. Your current coverage pays for other health expenses in addition to prescription drugs. If you enroll in a Medicare prescription drug plan, you and your eligible dependents will still be eligible to receive all of your current health and prescription drug benefits. If you drop your current prescription drug coverage and enroll in Medicare prescription drug coverage, you may enroll back into the Plan during an open enrollment period.

## **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 current coverage with the Plan 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 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:**

For further information, members may call 855-859-0966. **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 through the Plan 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, or SHIIP, for personalized help. (See the inside back cover of your copy of the "Medicare & You" handbook for their telephone number.)
- Call 1-800-MEDICARE (1-800-633-4227). TTY users should call 1-877-486-2048.

(Please see next page)

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 Internet 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).**

Date: 09/15/2015  
Name of Sender: North Carolina State Health Plan for Teachers and State Employees  
Address: 100 Benefitfocus Way, Charleston, SC 29492  
Phone Number: 855-859-0966