

# *Town of Duxbury, Massachusetts*

## *OFFICE OF THE BOARD OF SELECTMEN AND TOWN MANAGER*



TO: Town and School, Employees, Retirees and COBRA Participants  
FROM: Richard MacDonald *RAM* Town Manager  
DATE: October 1, 2012  
RE: Benefit Updates and Annual Benefit Notices

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Prescription Drug Provider Update: Walgreens Pharmacies has reached an agreement with Blue Cross Blue Shield. Effective September 15, 2012 Walgreens will be providing prescription drug coverage for our health insurance participants.

Annual Benefit Notices: The Town of Duxbury is required to provide the enclosed notices. There is no action required, but I encourage you to read these forms carefully, and keep them with any other Plan documents you may have.

*Children's Health Insurance Program (CHIP):* This program is for individuals who are eligible for health coverage, but are unable to afford the premiums. The form provides information about premium assistance and related contact information.

*Early Retiree Reinsurance Program:* This program explains how the Town of Duxbury may choose to use any reimbursements it receives from this program to reduce or offset increases in plan participant's premium contributions, co-payments, deductibles, co-insurance, or other out-of-pocket costs.

*Health Insurance Portability and Accountability Act of 1996 (HIPPA):* This notice describes how medical information may be used and disclosed, and accessed.

*'Creditable Coverage' Notice:* This required notice details information about drug coverage provided under our Medex health insurance Plan.

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878 Tremont Street, Duxbury, MA 02332 Telephone: 781-934-1100 x149 Fax: 781-934-9011  
[Town-Manager@town.duxbury.ma.us](mailto:Town-Manager@town.duxbury.ma.us)

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*The mission of the Town of Duxbury is to deliver excellent services to the community in the most fiscally responsible and innovative manner while endeavoring to broaden our sense of community and preserve the unique character of our town.*

**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 are eligible for health coverage from your employer, your State may have a premium assistance program that can help pay for coverage. These States use funds from their Medicaid or CHIP programs to help people who are eligible for these programs, but also have access to health insurance through their employer. If you or your children are not eligible for Medicaid or CHIP, you will not be eligible for these premium assistance programs.

If you or your dependents are already enrolled in Medicaid or CHIP and you live in a State listed below, you can contact your State Medicaid or CHIP office to find out if premium assistance is available.

If you or your dependents are NOT currently enrolled in Medicaid or CHIP, and you think you or any of your dependents might be eligible for either of these programs, you can contact your State Medicaid or CHIP office or dial 1-877-KIDS NOW or [www.insurekidsnow.gov](http://www.insurekidsnow.gov) to find out how to apply. If you qualify, you can ask the State if it has a program that might help you pay the premiums for an employer-sponsored plan.

Once it is determined that you or your dependents are eligible for premium assistance under Medicaid or CHIP, as well as eligible under your employer plan, your employer must permit you to enroll in your employer plan if you are not already enrolled. This is called a “special enrollment” opportunity, and **you must request coverage within 60 days of being determined eligible for premium assistance.** If you have questions about enrolling in your employer plan, you can contact the Department of Labor electronically at [www.askebsa.dol.gov](http://www.askebsa.dol.gov) or by calling toll-free 1-866-444-EBSA (3272).

If you live in one of the following States, you may be eligible for assistance paying your employer health plan premiums. The following list of States is current as of July 31, 2012. You should contact your State for further information on eligibility –

|   |   |
|---|---|
| <b>ALABAMA – Medicaid</b>   | <b>COLORADO – Medicaid</b>  |
| Website: <a href="http://www.medicaid.alabama.gov">http://www.medicaid.alabama.gov</a><br>Phone: 1-855-692-5447   | Medicaid Website: <a href="http://www.colorado.gov/">http://www.colorado.gov/</a><br>Medicaid Phone (In state): 1-800-866-3513<br>Medicaid Phone (Out of state): 1-800-221-3943   |
| <b>ALASKA – Medicaid</b>  |   |
| Website: <a href="http://health.hss.state.ak.us/dpa/programs/medicaid/">http://health.hss.state.ak.us/dpa/programs/medicaid/</a><br>Phone (Outside of Anchorage): 1-888-318-8890<br>Phone (Anchorage): 907-269-6529 |   |
| <b>ARIZONA – CHIP</b>   | <b>FLORIDA – Medicaid</b>   |
| Website: <a href="http://www.azahcccs.gov/applicants">http://www.azahcccs.gov/applicants</a><br><br>Phone (Outside of Maricopa County): 1-877-764-5437<br>Phone (Maricopa County): 602-417-5437                     | Website: <a href="https://www.flmedicaidtpkcovery.com/">https://www.flmedicaidtpkcovery.com/</a><br>Phone: 1-877-357-3268   |
|   | <b>GEORGIA – Medicaid</b>   |
|   | Website: <a href="http://dch.georgia.gov/">http://dch.georgia.gov/</a><br>Click on Programs, then Medicaid, then Health Insurance Premium Payment (HIPP)<br>Phone: 1-800-869-1150 |

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| <b>IDAHO – Medicaid and CHIP</b>   | <b>MONTANA – Medicaid</b>  |
| Medicaid Website: <a href="http://www.accesstohealthinsurance.idaho.gov">www.accesstohealthinsurance.idaho.gov</a><br>Medicaid Phone: 1-800-926-2588<br>CHIP Website: <a href="http://www.medicaid.idaho.gov">www.medicaid.idaho.gov</a><br>CHIP Phone: 1-800-926-2588 | Website: <a href="http://medicaidprovider.hhs.mt.gov/clientpages/clientindex.shtml">http://medicaidprovider.hhs.mt.gov/clientpages/clientindex.shtml</a><br>Phone: 1-800-694-3084  |
| <b>INDIANA – Medicaid</b>  | <b>NEBRASKA – Medicaid</b>   |
| Website: <a href="http://www.in.gov/fssa">http://www.in.gov/fssa</a><br>Phone: 1-800-889-9949  | Website: <a href="http://www.ACCESSNebraska.ne.gov">www.ACCESSNebraska.ne.gov</a><br>Phone: 1-800-383-4278   |
| <b>IOWA – Medicaid</b>   | <b>NEVADA – Medicaid</b>   |
| Website: <a href="http://www.dhs.state.ia.us/hipp/">www.dhs.state.ia.us/hipp/</a><br>Phone: 1-888-346-9562   | Medicaid Website: <a href="http://dwss.nv.gov/">http://dwss.nv.gov/</a><br>Medicaid Phone: 1-800-992-0900  |
| <b>KANSAS – Medicaid</b>   |  |
| Website: <a href="http://www.kdheks.gov/hcf/">http://www.kdheks.gov/hcf/</a><br>Phone: 1-800-792-4884  |  |
| <b>KENTUCKY – Medicaid</b>   | <b>NEW HAMPSHIRE – Medicaid</b>  |
| Website: <a href="http://chfs.ky.gov/dms/default.htm">http://chfs.ky.gov/dms/default.htm</a><br>Phone: 1-800-635-2570  | Website:<br><a href="http://www.dhhs.nh.gov/oii/documents/hippapp.pdf">http://www.dhhs.nh.gov/oii/documents/hippapp.pdf</a><br>Phone: 603-271-5218   |
| <b>LOUISIANA – Medicaid</b>  | <b>NEW JERSEY – Medicaid and CHIP</b>  |
| Website: <a href="http://www.lahipp.dhh.louisiana.gov">http://www.lahipp.dhh.louisiana.gov</a><br>Phone: 1-888-695-2447  | Medicaid Website: <a href="http://www.state.nj.us/humanservices/dmahs/clients/medicaid/">http://www.state.nj.us/humanservices/dmahs/clients/medicaid/</a><br>Medicaid Phone: 1-800-356-1561<br>CHIP Website: <a href="http://www.njfamilycare.org/index.html">http://www.njfamilycare.org/index.html</a><br>CHIP Phone: 1-800-701-0710 |
| <b>MAINE – Medicaid</b>  |  |
| Website: <a href="http://www.maine.gov/dhhs/ofa/public-assistance/index.html">http://www.maine.gov/dhhs/ofa/public-assistance/index.html</a><br>Phone: 1-800-977-6740<br>TTY 1-800-977-6741  |  |
| <b>MASSACHUSETTS – Medicaid and CHIP</b>   | <b>NEW YORK – Medicaid</b>   |
| Website: <a href="http://www.mass.gov/MassHealth">http://www.mass.gov/MassHealth</a><br>Phone: 1-800-462-1120  | Website: <a href="http://www.nyhealth.gov/health_care/medicaid/">http://www.nyhealth.gov/health_care/medicaid/</a><br>Phone: 1-800-541-2831  |
| <b>MINNESOTA – Medicaid</b>  | <b>NORTH CAROLINA – Medicaid</b>   |
| Website: <a href="http://www.dhs.state.mn.us/">http://www.dhs.state.mn.us/</a><br>Click on Health Care, then Medical Assistance<br>Phone: 1-800-657-3629   | Website: <a href="http://www.ncdhhs.gov/dma">http://www.ncdhhs.gov/dma</a><br>Phone: 919-855-4100  |
| <b>MISSOURI – Medicaid</b>   | <b>NORTH DAKOTA – Medicaid</b>   |
| Website:<br><a href="http://www.dss.mo.gov/mhd/participants/pages/hipp.htm">http://www.dss.mo.gov/mhd/participants/pages/hipp.htm</a><br>Phone: 573-751-2005   | Website:<br><a href="http://www.nd.gov/dhs/services/medicalserv/medicaid/">http://www.nd.gov/dhs/services/medicalserv/medicaid/</a><br>Phone: 1-800-755-2604   |

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| <b>OKLAHOMA – Medicaid and CHIP</b>  | <b>UTAH – Medicaid and CHIP</b>  |
| Website: <a href="http://www.insureoklahoma.org">http://www.insureoklahoma.org</a><br>Phone: 1-888-365-3742  | Website: <a href="http://health.utah.gov/upp">http://health.utah.gov/upp</a><br>Phone: 1-866-435-7414  |
| <b>OREGON – Medicaid and CHIP</b>  | <b>VERMONT – Medicaid</b>  |
| Website: <a href="http://www.oregonhealthykids.gov">http://www.oregonhealthykids.gov</a><br><a href="http://www.hijosaludablesoregon.gov">http://www.hijosaludablesoregon.gov</a><br>Phone: 1-877-314-5678 | Website: <a href="http://www.greenmountaincare.org/">http://www.greenmountaincare.org/</a><br>Phone: 1-800-250-8427  |
| <b>PENNSYLVANIA – Medicaid</b>   | <b>VIRGINIA – Medicaid and CHIP</b>  |
| Website: <a href="http://www.dpw.state.pa.us/hipp">http://www.dpw.state.pa.us/hipp</a><br>Phone: 1-800-692-7462  | Medicaid Website: <a href="http://www.dmas.virginia.gov/rcp-HIPP.htm">http://www.dmas.virginia.gov/rcp-HIPP.htm</a><br>Medicaid Phone: 1-800-432-5924<br>CHIP Website: <a href="http://www.famis.org/">http://www.famis.org/</a><br>CHIP Phone: 1-866-873-2647 |
| <b>RHODE ISLAND – Medicaid</b>   | <b>WASHINGTON – Medicaid</b>   |
| Website: <a href="http://www.ohhs.ri.gov">www.ohhs.ri.gov</a><br>Phone: 401-462-5300   | Website: <a href="http://hrsa.dshs.wa.gov/premiumpymt/Apply.shtm">http://hrsa.dshs.wa.gov/premiumpymt/Apply.shtm</a><br>Phone: 1-800-562-3022 ext. 15473   |
| <b>SOUTH CAROLINA – Medicaid</b>   | <b>WEST VIRGINIA – Medicaid</b>  |
| Website: <a href="http://www.scdhhs.gov">http://www.scdhhs.gov</a><br>Phone: 1-888-549-0820  | Website: <a href="http://www.dhhr.wv.gov/bms/">www.dhhr.wv.gov/bms/</a><br>Phone: 1-877-598-5820, HMS Third Party Liability  |
| <b>SOUTH DAKOTA - Medicaid</b>   | <b>WISCONSIN – Medicaid</b>  |
| Website: <a href="http://dss.sd.gov">http://dss.sd.gov</a><br>Phone: 1-888-828-0059  | Website: <a href="http://www.badgercareplus.org/pubs/p-10095.htm">http://www.badgercareplus.org/pubs/p-10095.htm</a><br>Phone: 1-800-362-3002  |
| <b>TEXAS – Medicaid</b>  | <b>WYOMING – Medicaid</b>  |
| Website: <a href="https://www.gethipptexas.com/">https://www.gethipptexas.com/</a><br>Phone: 1-800-440-0493  | Website: <a href="http://health.wyo.gov/healthcarefin/equalitycare">http://health.wyo.gov/healthcarefin/equalitycare</a><br>Phone: 307-777-7531  |

To see if any more States have added a premium assistance program since July 31, 2012, or for more information on special enrollment rights, you can contact either:

U.S. Department of Labor  
Employee Benefits Security Administration  
[www.dol.gov/ebsa](http://www.dol.gov/ebsa)  
1-866-444-EBSA (3272)

U.S. Department of Health and Human Services  
Centers for Medicare & Medicaid Services  
[www.cms.hhs.gov](http://www.cms.hhs.gov)  
1-877-267-2323, Ext. 61565

OMB Control Number 1210-0137 (expires 09/30/2013)

# *Town of Duxbury, Massachusetts*

## *OFFICE OF THE BOARD OF SELECTMEN AND TOWN MANAGER*



### **NOTICE ABOUT THE EARLY RETIREE REINSURANCE PROGRAM**

You are a plan participant, or are being offered the opportunity to enroll as a plan participant, in an employment-based health plan that is certified for participation in the Early Retiree Reinsurance Program. The Early Retiree Reinsurance Program is a Federal program that was established under the Affordable Care Act. Under the Early Retiree Reinsurance Program, the Federal government reimburses a plan sponsor of an employment-based health plan for some of the costs of health care benefits paid on behalf of, or by, early retirees and certain family members of early retirees participating in the employment-based plan. By law, the program expires on January 1, 2014.

Under the Early Retiree Reinsurance Program, your plan sponsor may choose to use any reimbursements it receives from this program to reduce or offset increases in plan participants' premium contributions, co-payments, deductibles, co-insurance, or other out-of-pocket costs. If the plan sponsor chooses to use the Early Retiree Reinsurance Program reimbursements in this way, you, as a plan participant, may experience changes that may be advantageous to you, in your health plan coverage terms and conditions, for so long as the reimbursements under this program are available and this plan sponsor chooses to use the reimbursements for this purpose. A plan sponsor may also use the Early Retiree Reinsurance Program reimbursements to reduce or offset increases in its own costs for maintaining your health benefits coverage, which may increase the likelihood that it will continue to offer health benefits coverage to its retirees and employees and their families.

If you have received this notice by email, you are responsible for providing a copy of this notice to your family members who are participants in this plan

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878 Tremont Street, Duxbury, MA 02332 Telephone: 781-934-1100 x149 Fax: 781-934-9011  
[Town-Manager@town.duxbury.ma.us](mailto:Town-Manager@town.duxbury.ma.us)

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## TOWN OF DUXBURY HIPAA NOTICE OF PRIVACY PRACTICES

**THIS NOTICE DESCRIBES HOW MEDICAL INFORMATION ABOUT YOU MAY BE USED AND DISCLOSED, AND HOW YOU CAN GET ACCESS TO THIS INFORMATION. PLEASE REVIEW IT CAREFULLY.**

**IF YOU HAVE ANY QUESTIONS ABOUT THIS NOTICE, PLEASE CONTACT THE TOWN MANAGER, PRIVACY OFFICER, OR THE HUMAN RESOURCES OFFICER, PRIVACY CONTACT AT 781-934-1100, x 143.**

Protected Health Information (PHI) is information, including demographic information, that may identify you and that relates to health care services provided to you, the payment of health care services provided to you, or your physical or mental health or condition, in the past, present or future. This Notice of Privacy Practices describes how we may use and disclose your PHI. It also describes your rights to access and control your PHI.

As a group health plan we are required by Federal law to maintain the privacy of PHI and to provide you with this notice of our legal duties and privacy practices.

We are required to abide by the terms of this Notice of Privacy Practices, but reserve the right to change the Notice at any time. Any change in the terms of this Notice will be effective for all PHI that we are maintaining at that time. If a change is made to this Notice, a copy of the revised Notice will be provided to all individuals covered under the plan at that time.

### PERMITTED USES AND DISCLOSURES

#### Treatment, Payment and Health Care Operations

Federal law allows a group health plan to use and disclose PHI, for the purposes of treatment, payment and health care operations, without your consent or authorization. Examples of the uses and disclosures that we, as a group health plan, may make under each section are listed below:

- ◆ **Treatment.** Treatment refers to the provision and coordination of health care by a doctor, hospital or other health care provider. As a group health plan we do not provide treatment.
- ◆ **Payment.** Payment refers to the activities of a group health plan in collecting premiums and paying claims under the plan for health care services you receive. Examples of uses and disclosures under this section include the sending of PHI to an external medical review company to determine the medical necessity or experimental status of a treatment; sharing PHI with other insurers to determine coordination of benefits or settle subrogation claims; providing PHI to the plan's UR Company for precertification or case management services; providing PHI in the billing, collection and payment of premiums and fees to plan vendors such as PPO Networks, UR Companies, Prescription Drug Card Companies and reinsurance carriers; and sending PHI to a reinsurance carrier to obtain reimbursement of claims paid under the plan.
- ◆ **Health Care Operations.** Health Care Operations refers to the basic business functions necessary to operate a group health plan. Examples of uses and disclosures under this section include conduction quality assessment studies to evaluate the plan's performance or the performance of a particular network or vendor; the use of PHI in determining the cost impact of benefit design changes; the disclosure of PHI to underwriters for the purpose of calculating premium rates and providing reinsurance quotes to the plan; the disclosure of PHI to stop-loss or reinsurance carriers to obtain claim reimbursements to the plan; disclosure of PHI to plan consultants who provide legal, actuarial and auditing services to the plan; and use of PHI in general data analysis used in the long term management and planning for the plan and company.

### Other Uses and Disclosures Allowed Without Authorization

Federal Law also allows a group health plan to use and disclose PHI, without your consent or authorization, in the following ways:

- ◆ To you, as the covered individual.
  - ◆ To a personal representative designated by you to receive PHI or a personal representative designated by law, such as the parent or legal guardian of a child, or the surviving family members or representative of the estate of a deceased individual.
  - ◆ To the Secretary of Health and Human Services (HHS) or any employee of HHS as part of an investigation to determine our compliance with the HIPAA Privacy Rules.
  - ◆ To a Business Associate as part of a contracted agreement to perform services for the group health plan.
  - ◆ To a health oversight agency, such as the Department of Labor (DOL), the Internal Revenue Service (IRS) and the Insurance Commissioner's Office, to respond to inquiries or investigations of the plan, requests to audit the plan, or to obtain necessary licenses.
  - ◆ In response to a court order, subpoena, discovery request or other lawful judicial or administrative proceeding.
  - ◆ As required for law enforcement purposes. For example, to notify authorities of a criminal act.

- ◆ As required to comply with Workers' Compensation or other similar programs established by law.
- ◆ To the Plan Sponsor, as necessary to carry out administrative functions of the plan such as evaluating renewal quotes for reinsurance of the plan, funding check registers, reviewing claim appeals, approving subrogation settlements and evaluating the performance of the plan.
- ◆ In providing you with information about treatment alternatives and health services that may be of interest to you as a result of a specific condition that the plan is case managing.

The examples of permitted uses and disclosures listed above are not provided as an all-inclusive list of the ways in which PHI may be used. They are provided to describe in general the types of uses and disclosures that may be made.

#### **TYPES OF INFORMATION WE MAINTAIN**

The Town of Duxbury does not maintain individual health information files. We may, however, have pre-employment physicals, work-related injury files, or health insurance applications on file. We do not have access to any of our employees' personal medical files or medical bills. We use an intermediary to pay medical claims. This intermediary is bound by the same Privacy Practices that the Town of Duxbury is.

#### **OTHER USES AND DISCLOSURES**

Other uses and disclosures of your PHI will only be made upon receiving your written authorization. You may revoke an authorization at any time by providing written notice to us that you wish to revoke an authorization. We will honor a request to revoke as of the day it is received, and to the extent that we have not already used or disclosed your PHI in good faith with the authorization.

#### **YOUR RIGHTS IN RELATION TO PROTECTED HEALTH INFORMATION**

##### **Right to Request Restrictions on Uses and Disclosures**

You have the right to request that the plan limit its uses and disclosures of PHI in relation to treatment, payment and health care operations or not use or disclose your PHI for these reasons at all. You also have the right to request the plan restrict the use or disclosure of your PHI to family members or personal representatives. Any such request must be made in writing to the Privacy Contact (JEANNIE HORNE) and must state the specific restriction requested and to whom that restriction would apply.

The plan is not required to agree to a restriction that you request. However, if it does agree to the requested restriction, it may not violate that restriction except as necessary to allow the provision of emergency medical care to you.

##### **Right to Receive Confidential Communications**

You have the right to request that communications involving PHI be provided to you at an alternative location or by an alternative means of communication. The plan is required to accommodate any reasonable request if the normal method of disclosure would endanger you and that danger is stated in your request. Any such request must be made in writing to the Privacy Contact (JEANNIE HORNE).

##### **Right to Access to your protected Health Information**

You have the right to inspect and copy your PHI that is contained in a designated record set for as long as the plan maintains the PHI. A designated record set contains claim information, premium and billing records and any other records the plan has created in making claim and coverage decision relating to you. Federal law does prohibit you from having access to the following records: psychotherapy notes; information compiled in reasonable anticipation of, or for use in a civil, criminal or administrative action or proceeding; and PHI that is subject to a law that prohibits access to that information. If your request for access is denied, you may have a right to have that decision reviewed. Requests for amendment of your PHI should be directed to JEANNIE HORNE.

##### **Right to Amend Protected Health Information**

You have the right to request that PHI in a designated record set be amended for as long as the plan maintains the PHI. The plan may deny your request for amendment if it determines that the PHI was not created by the plan, is not part of the designated record set, is not information that is available for inspection, or that the PHI is accurate and complete. If your request for amendment is declined, you have the right to have a statement of disagreement included with the PHI and the plan has a right to include a rebuttal to your statement, a copy of which will be provided to you. Requests for amendment of your PHI should be directed to JEANNIE HORNE.

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#### **COMPLAINTS**

If you believe your privacy rights have been violated, you may file a complaint with the plan or the Secretary of Health and Human Services. Complaints should be filed in writing with the Privacy Contact. The Plan will not retaliate against you for filing a complaint.

#### **PRIVACY CONTACT**

You may contact the Human Resources Officer, Privacy Contact, at 781/934-1100, x143.

#### **EFFECTIVE DATE OF THIS NOTICE**

This notice is published and becomes effective on April 14, 2003.

## *Town of Duxbury, Massachusetts*



October 1, 2012

### **ATTENTION:**

**THIS NOTICE IS FOR MEDICARE ELIGIBLE INDIVIDUALS ONLY.  
IF YOU DO NOT HAVE HEALTH INSURANCE THROUGH THE TOWN OF DUXBURY,  
OR IF PARTICIPANTS COVERED UNDER YOUR TOWN OF DUXBURY HEALTH  
INSURANCE ARE NOT MEDICARE ELIGIBLE, PLEASE DISREGARD THIS NOTICE.**

Dear Medicare Eligible Member:

This mailing contains information about your current prescription drug coverage under your Blue Cross Blue Shield Medex Plan through the Town of Duxbury. Because of the length and complexity of the attached, we felt it would be helpful to summarize its contents.

Beginning January 1, 2006 Medicare began offering prescription drug coverage referred to as Part D. In accordance with Medicare regulations, employers must provide a notice to all eligible individuals who are covered under the employer's plan identifying if your plan is creditable or non-creditable. Since **your prescription drug coverage is creditable** you are receiving the attached notice.

Creditable coverage means that your current prescription drug coverage with the Town of Duxbury is equal to, or superior to Part D. Meaning, your current plan offers more comprehensive coverage than other Medicare Part D choices that are available to you.

If you have questions I urge you to contact me soon as possible.

Sincerely,

Phyllis L. Hughes  
Benefits Specialist



# *Town of Duxbury, Massachusetts*

## *OFFICE OF HUMAN RESOURCES*



Please carefully read this required annual notice keep it where you can find it. This notice has information about your current prescription drug coverage with The Town of Duxbury 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 provided 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 Town of Duxbury has determined that the prescription drug coverage offered by our Medex Plan is, on average for all plan participants, expected to pay out as much as the 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.

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### **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<sup>th</sup> through December 7<sup>th</sup>.

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 Town of Duxbury coverage may be affected.

|  | Medicare Benefits   | Medex Provides  |
|--|---|---|
| <b>Prescription Drugs</b><br>At a designated retail pharmacy   | Medicare does not provide coverage for prescription drugs used outside of the hospital. See your Medicare handbook for certain covered drugs. | <ul style="list-style-type: none"> <li>• \$10 for Tier 1</li> <li>• \$20 for Tier 2</li> <li>• \$35 for Tier 3</li> </ul> |
| Through the designated mail-service pharmacy (up to a 90-day supply for each prescription or refill) | No benefits   | <ul style="list-style-type: none"> <li>• \$10 for Tier 1</li> <li>• \$20 for Tier 2</li> <li>• \$35 for Tier 3</li> </ul> |

See pages 7- 9 of the CMS Disclosure of Creditable Coverage To Medicare Part D Eligible Individuals Guidance (available at <http://www.cms.hhs.gov/CreditableCoverage/>), which outlines the prescription drug plan provisions/options that Medicare eligible individuals may have available to them when they become eligible for Medicare Part D.

If you do decide to join a Medicare drug plan and drop your current Town of Duxbury coverage, be aware that you and your dependents may not be able to get this coverage back.

### 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 Town of Duxbury 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 November to join.

### For More Information About This Notice or Your Current Prescription Drug Coverage...

Contact the person listed below for further information. *NOTE: Every active Town of Duxbury employee, retiree and COBRA participant will receive this notice annually. You will also get this notice before the next period of eligibility for Medicare drug plans, and if coverage through Town of Duxbury 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 viewable 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 plan providers.

For more information about Medicare prescription drug coverage:

- Visit [www.medicare.gov](http://www.medicare.gov)
- Call your State Health Insurance Assistance Program 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.

If you have a limited income and/or resources, extra help is available Medicare prescription drug coverage cost. For information about this extra help, visit Social Security on the web 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).**

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| Name of Entity/Sender:    | Town of Duxbury                                      |
| Contact, Position/Office: | Phylis L. Hughes, Benefits Specialist, Old Town Hall |
| Address:                  | 878 Tremont St, Duxbury, MA 02332                    |
| Phone Number:             | 1-781-934-1100, ext. 163                             |