

September 24, 2019

RE: **If you are enrolled in Plans with Prescription Options: 4 or 5**  
**Important Non-Creditable Coverage Notice from The Affiliated Physicians and Employers Health Plan about your Prescription Drug Coverage and Medicare**

Dear Member:

Please read this notice carefully and keep it where you can find it. This notice has information about your current prescription drug coverage with The Affiliated Physicians and Employers Health Plan 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. Information about where you can get help to make decisions about your prescription drug coverage is at the end of this notice.

There are three 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 Affiliated Physicians and Employers Health Plan has determined that the prescription drug coverage offered by EXPRESS SCRIPTS is, on average for all plan participants, NOT expected to pay out as much as standard Medicare prescription drug coverage pays. Therefore, your coverage is considered Non-Creditable Coverage. This is important because, most likely, you will get more help with your drug costs if you join a Medicare drug plan, than if you only have prescriptions drug coverage from EXPRESS SCRIPTS. This also is important because it may mean that you may pay a higher premium (a penalty) if you do not join a Medicare drug plan when you first become eligible.
3. You can keep your current coverage from EXPRESS SCRIPTS. However, because your coverage is non-creditable, you have decisions to make about Medicare prescription drug coverage that may affect how much you pay for that coverage, depending on if and when you join a drug plan. When you make your decision, you should compare your current coverage, including what drugs are covered, with the coverage and cost of the plans offering Medicare prescription drug coverage in your area. Read this notice carefully – it explains your options.

### **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> to December 7<sup>th</sup>. However, if you decide to drop your current coverage with The Affiliated Physicians and Employers Health Plan, since it is employer/union sponsored group coverage, you will be eligible for a two (2) month Special Enrollment Period (SEP) to join a Medicare drug plan; however you also may pay a higher premium (a penalty) because you did not have creditable coverage under The Affiliated Physicians and Employers Health Plan.

Since you are losing creditable prescription drug coverage under The Affiliated Physicians and Employers Health Plan, you are also eligible for a two (2) month Special Enrollment Period (SEP) to join a Medicare Drug plan.

### **When Will You Pay A Higher Premium (Penalty) To Join A Medicare Drug Plan?**

Since the coverage under The Affiliated Physicians and Employers Health Plan, is not creditable, depending on how long you go without creditable prescription drug coverage you may pay a penalty to join a Medicare drug plan. Starting with the end of last month that you were first eligible to join a Medicare drug plan but didn't join, if you go 63 continuous days or longer without prescription drug coverage that's creditable, 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 (penalty) as long as you have Medicare prescription drug coverage. In addition, you may have to wait until the following October to join.

### **What Happens To Your Current Coverage If You Decide to Join A Medicare Drug Plan?**

If you do decide to enroll in a Medicare drug plan, your current EXPRESS SCRIPTS prescription drug coverage through The Affiliated Physicians and Employers Health Plan will TERMINATE.

The Affiliated Physicians and Employers Health Plan offers your prescription drug benefit through EXPRESS SCRIPTS one of the leading Pharmacy Benefit Managers in the State of New Jersey. EXPRESS SCRIPTS gives members the option of going to retail pharmacies for a 30 day supply of medication or use EXPRESS SCRIPTS Mail Order which allows a member to receive an extended supply. EXPRESS SCRIPTS provides a formulary listing that is alphabetized by drug category as well as brand name. These listings are to help members identify medication with lower co-payments and/or coinsurance. The Affiliated Physicians and Employers Health Plan pays for health expenses, in addition to prescription drugs. If you choose to enroll in a Medicare prescription drug plan you will lose your prescription coverage. In addition, you will not be able to obtain this coverage back once you disenroll.

#### **For more information about this notice or your current prescription drug coverage...**

You may contact our office for further information or call Valerie Seto at 833-639-2669. 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 Affiliated Physicians and Employers Health 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 (see the inside back cover of your copy of the "Medicare & You" handbook for their telephone number) for personalized help
- Call 1-800-MEDICARE (1-800-633-4227). TTY users should call 1-877-486-2048.

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 web at [www.socialsecurity.gov](http://www.socialsecurity.gov), or call them at 1-800-772-1213 (TTY 1-800-325-0778).

If you need additional information, or have any questions regarding the Affiliated Physicians and Employers Health Plan prescription drug coverage and Medicare, please give us a call at 833-639-2669.

Sincerely,  
The Affiliated Physicians and Employers Health Plan

Date: September 24, 2019  
Name of Entity: The Affiliated Physicians and Employers Health Plan  
Contact – Position Officer: Valerie Seto, Director Insurance Operations  
Address: P.O. Box 5487, Somerset, NJ 08875  
Phone Number: 833-639-2669.