

Important Notice from the Alliance Health Plan regarding Creditable Prescription Drug Coverage and Medicare

Please read this notice carefully and keep it with your other important papers. This notice has information about your current prescription drug coverage with the Alliance and the Medicare Part D prescription drug coverage. It also explains the options you have under the Medicare prescription drug coverage and can help you decide whether or not you want to enroll. At the end of this notice is information about where you can get help to make decisions about your prescription drug coverage.

1. Starting January 1, 2006, Medicare prescription drug coverage became available to everyone with Medicare through Medicare prescription drug plans and Medicare Advantage Plans that offer 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 Alliance has determined that its prescription drug coverage 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 the Alliance plan is considered Creditable Coverage, you will be able to keep this coverage and not pay a penalty if you later decide to enroll in Medicare prescription drug coverage.

Individuals can enroll in a Medicare prescription drug plan when they first become eligible for Medicare or each year during Open Enrollment **October 15 – December 7**. You should compare your current coverage, including which drugs are covered, with the coverage and cost of the plans offering Medicare prescription drug coverage in your area.

Please remember that your prescription drug plan through the Alliance is part of your medical plan coverage. If you decide to enroll in a Medicare prescription drug plan and drop your Alliance prescription drug coverage, be aware that you will also be dropping your medical plan coverage, and you will not be able to reenroll in an Alliance medical plan at a later date.

If you decide to join a Medicare drug plan while enrolled in the Alliance plan, your current Alliance prescription coverage will not be impacted. Employer prescription coverage continues as primary payer over Medicare Part D drug coverage.

Be sure to notify the benefits office of any Medicare enrollment or application for Social Security benefits. Applying for Social Security benefits also begins Medicare Part A (Hospitalization) coverage.

You should also know that if you drop or lose your coverage with the Alliance and don't enroll in Medicare prescription drug coverage within 63 continuous days after your current coverage ends, you may pay a higher premium (a penalty) to enroll in Medicare prescription drug coverage 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. However, if you lose creditable prescription drug coverage through no fault of your own, you will be eligible for a (sixty) 60-day Special Enrollment Period (SEP) to join a Medicare Part D plan.

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
- 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, 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: **October 2025**

Name of Entity/Sender:

Alliance Benefits

Contact Person/Office:

Teresa Hunter, Billing and Data Service Representative

benefits@cmalliance.org

Address:

Alliance Benefits

One Alliance Place

Reynoldsburg, OH 43068-3563

Phone Number: **1-800-700-2651 x1**