

# 2023 Employee Benefits Plan

## Annual Health Benefit Notices Medicare Part D Notice

Prepared for:

**City of Fullerton Retirees**



Creditable Retirees

### **Medicare Part D Notice**

If you (and/or your dependents) have Medicare or will become eligible for Medicare in the next 12 months, a Federal law gives you more choices about your prescription drug coverage. Please see page 3 for more details.

To obtain more information regarding any of the information listed in this packet, or if you have any questions, please contact:

## City of Fullerton

Human Resources

714.738.6834

christinep@cityoffullerton.com

303 W. Commonwealth Avenue | Fullerton, CA 92832

Plan Effective Date: 01/01/2023

## Contents

### Medicare Part D Notice of Creditable Coverage

Page 3

Plans are required to provide each covered participant and dependent a Certificate of Creditable Coverage to qualify for enrollment in Medicare Part D prescription drug coverage when qualified without a penalty. This Notice also provides a written procedure for individuals to request and receive Certificates of Creditable Coverage.

### Women's Health & Cancer Rights Act (WHCRA)

Page 4

This act contains important protections for breast cancer patients who choose breast reconstruction with a mastectomy. The U.S. Departments of Labor and Health and Human Services are in charge of this act of law which applies to group health plans if the plans or coverage provide medical and surgical benefits for a mastectomy.

### Newborn & Mother's Health Protection Act

Page 4

This Notice informs employees of the amount of time a mother and her newborn child are covered for a hospital stay following childbirth.

### Special Enrollment Rights

Page 4

Plan participants are entitled to certain special enrollment rights outside of the company open enrollment period. This Notice provides information on special enrollment periods for loss of prior coverage or the addition of a new dependent.

# Medicare Part D Notice of Creditable Coverage

## Important Notice from City of Fullerton About Your Prescription Drug Coverage and Medicare As a Retiree Participating in Coverage Provided by Cigna, Kaiser, Anthem, Blue Shield, Health Net and UnitedHealthcare

Please read this Notice carefully and keep it where you can find it. This Notice has information about your current prescription drug coverage with City of Fullerton under the Cigna, Kaiser, Anthem, Blue Shield, Health Net & UnitedHealthcare (HMO & PPO) 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 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 prescription drug coverage offered by City of Fullerton under the Cigna, Kaiser, Anthem, Blue Shield, Health Net & UnitedHealthcare (HMO & PPO), 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.

### 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 coverage with Cigna, Kaiser, Anthem, Blue Shield, Health Net & UnitedHealthcare will be affected. If you decide to join a standard Medicare drug plan and drop your current medical plan coverage, be aware that you and your dependents will 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 Cigna, Kaiser, Anthem, Blue Shield, Health Net & UnitedHealthcare 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 October to join.

### 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 receive 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; or
- Call (800) MEDICARE or (800) 633-4227. TTY users should call (877) 486-2048.

If you have limited income and resources, extra help paying for Medicare prescription drug coverage is available. For more information about this extra help, visit Social Security on the web at [www.socialsecurity.gov](http://www.socialsecurity.gov), or you may call them at (800) 772-1213—TTY (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).

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

Contact the person listed on **page 2** for further information. 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 Cigna, Kaiser, Anthem, Blue Shield, Health Net & UnitedHealthcare changes. You also may request a copy of this notice at any time.

## Women's Health & Cancer Rights Act (WHCRA)

If you have had or are going to have a mastectomy, you may be entitled to certain benefits under the Women's Health and Cancer Rights Act of 1998 (WHCRA). For individuals receiving mastectomy-related benefits, coverage will be provided in a manner determined in consultation with the attending physician and the patient, for:

- All states of reconstruction of the breast on which the mastectomy was performed;
- Surgery and reconstruction of the other breast to produce a symmetrical appearance;
- Prostheses; and
- Treatment of physical complications of the mastectomy, including lymphedema.

These benefits will be provided subject to the same deductibles and coinsurance applicable to other medical and surgical benefits provided under the medical plan.

To obtain more information on WHCR benefits, please call or email the person listed on **page 2**.

## Newborn and Mothers' Health Protection Act

Group health plans and health insurance issuers generally may not, under Federal law, restrict benefits for any hospital length of stay in connection with childbirth for the mother or newborn child to less than 48 hours following a vaginal delivery, or less than 96 hours following a cesarean section. However, Federal law generally does not prohibit the mother's or newborn's attending provider, after consulting with the mother, from discharging the mother or her newborn earlier than 48 hours (or 96 hours as applicable). In any case, plans and issuers may not, under Federal law, require that a provider obtain authorization from the plan or the insurance issuer for prescribing a length of stay not in excess of 48 hours (or 96 hours).

To obtain more information, please call or email the person listed on **page 2**.

## Special Enrollment Rights

If you are declining enrollment for yourself or your dependent (s) (including your spouse) because of other health insurance or group health plan coverage, you may be able to enroll yourself and your dependents if you or your dependent(s) lose eligibility for that other coverage (or if the employer stops contributing toward your or your dependents' other coverage). However, you must request enrollment within 30 days after your or your dependents' other coverage ends (or if the employer stops contributing toward your or your dependents' other coverage).

In addition, if you have a new dependent as a result of marriage, birth, adoption, or placement for adoption, you may be able to enroll yourself and your dependents. However, you must request enrollment within 30 days after the birth, adoption, or placement for adoption.

To obtain more information, please call or email the person listed on **page 2**.