

South Dakota State Employee Health Plan
Bureau of Human Resources
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SOUTH DAKOTA
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benefits program**
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SUBJECT: **Notice of Creditable Coverage**

This is an important notice about your current prescription drug coverage and the prescription drug coverage available for individuals who are eligible for Medicare.

South Dakota State Employee Health Plan Prescription Drug Coverage

- Currently, you have prescription drug coverage under the South Dakota State Employee Health Plan.
- The prescription drug coverage is comparable to the standard Medicare prescription drug plan and is considered creditable coverage.
- The State of South Dakota does not offer a Medicare Part D plan.
- ***You are not eligible for a Medicare prescription drug plan if you have coverage under the South Dakota State Employee Health Plan.***

Medicare Prescription Drug Coverage

- Prescription drug coverage is available to Medicare participants through either a Medicare prescription drug plan or a Medicare Advantage Plan.
- All Medicare prescription drug plans provide at least a standard level of coverage set by Medicare. Some plans may offer more coverage for a higher monthly premium.
- You have the opportunity to enroll in a Medicare prescription drug plan every year from October 15 to December 7.

Remember to keep this notice. You may be asked for a copy of this notice if you enroll in one of the Medicare prescription drug plans. This notice provides proof of creditable coverage so you will not be required to pay a higher premium amount. Please see the back of this letter for more information on Medicare prescription drug plans.

Sincerely,

Roxanne Smith

Roxanne Smith
Benefits Specialist
Bureau of Human Resources

Frequently Asked Questions

1. **What happens when I become Medicare eligible?**

Your health and prescription drug coverage under the South Dakota State Employee Health Plan may end and you are eligible for Medicare.

Your coverage will not end if you are:

- an active employee age 65 years and older,
- a spouse age 65 years and older covered under an active employee.

2. **When can I enroll in a Medicare prescription drug plan?**

You can enroll in a Medicare prescription drug plan when you first become eligible for Medicare (the first of the month in which you turn 65 or the first of the prior month if your birthday falls on the 1st day of the month). You may also enroll each year from October 15 through December 7 or during a special enrollment period.

3. **What if my health coverage ends and I don't enroll in a Medicare prescription drug plan?**

If you do not enroll in a Medicare prescription drug plan when your coverage ends, you may pay a higher monthly premium (penalty) to enroll in a Medicare prescription drug plan later.

If you go 63 days or longer without prescription drug coverage, your monthly premium under the Medicare prescription drug plan will increase at least 1% per month for every month that you did not have the coverage.

For example, if you do not have coverage for 19 months before enrolling in Medicare prescription drug coverage, your premium with a Medicare prescription drug plan will always be 19% higher than what many other people pay. You'll have this higher premium as long as you have Medicare prescription drug coverage. In addition, you may have to wait until the following October to enroll.

4. **Why do I need to keep this notice?**

This notice provides Medicare with proof of creditable coverage. Proof of creditable coverage ensures you will not be required to pay a higher premium (penalty).

5. **How do I get another notice of creditable coverage?**

If you need another copy of your notice of creditable coverage, please call us at 877.573.7347, option 2. You may also write us at the address on the reverse side. You will receive this notice annually.

6. **Where can I find more information about enrolling in Medicare prescription drug plans?**

For detailed information about Medicare plans that offer prescription drug coverage, reference the "Medicare & You" handbook. You'll receive a copy of the handbook in the mail every year from Medicare. For more information about Medicare drug plans:

- Visit www.medicare.gov.
- Call SHIINE (Senior Health Information and Insurance Education) at 1.800.536.8197.
- Call 1.800.MEDICARE (1.800.633.4227). TTY users should call 1.877.486.2048.

For individuals with limited income and resources, extra help paying for a Medicare prescription drug plan is available. For more information about this extra help, visit the Social Security Administration Web site at www.socialsecurity.gov or call 1.800.772.1213. TTY users should call 1.800.325.0778.