

Brief Notes

News for
Brokers and Consultants

September 21, 2015

Applies to: All Markets

Creditable Coverage Notice Reminder

Health plan sponsors (employer groups) that offer prescription drug coverage to Medicare-eligible beneficiaries and dependents are required to notify those beneficiaries and dependents whether their coverage is “Creditable” or “Non-Creditable.” Notification must be sent before the 2016 Medicare Open Enrollment, which begins on October 15, 2015.

This requirement is part of the Medicare Prescription Drug, Improvement and Modernization Act (MMA). As defined by the Centers for Medicare & Medicaid Services (CMS), coverage is Creditable if the actuarial value of the coverage is equivalent to, or better than, the actuarial value of standard Medicare Part D prescription drug coverage. A Non-Creditable prescription drug plan has an actuarial value that is less than the standard Medicare Part D coverage.

To help your clients with notifying their Medicare-eligible beneficiaries and dependents, Horizon Blue Cross Blue Shield of New Jersey will mail a letter to your clients informing them of their prescription plans’ status. Please see a *sample of the letters* that will be sent to your clients informing them of their obligations for this year. Only groups with Medicare-eligible members for the upcoming coverage year will receive a mailing.

Once your clients receive this information, they must disclose to their employees whether the prescription plan is Creditable or Non-Creditable. CMS-approved models for Creditable, Non-Creditable and personalized disclosure notice language is available at cms.hhs.gov/creditablecoverage.

Your clients are also required to disclose, directly to CMS, whether or not the coverage offered to Medicare-eligible beneficiaries and dependents is Creditable prescription drug coverage. This disclosure must be made to CMS annually and upon any change that affects whether or not the coverage is Creditable. The *Disclosure to CMS* form can also be found on the CMS website at cms.hhs.gov/creditablecoverage.

If you have questions, please contact your Horizon BCBSNJ sales executive or account manager.



Horizon Blue Cross Blue Shield of New Jersey

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Horizon Blue Cross Blue Shield of New Jersey

Three Penn Plaza East
Newark, NJ 07105-2200
HorizonBlue.com

<Date>

**Important Information about Your Medicare-eligible Members'
Prescription Drug Coverage for <group> – <subgroup>**

Dear Valued Customer:

You have an obligation under the Medicare Prescription Improvement and Modernization Act (MMA) to disclose to your Medicare-eligible beneficiaries and dependents the creditable status of their current prescription drug coverage with Horizon Blue Cross Blue Shield of New Jersey. You have this obligation every year prior to open enrollment.

Horizon BCBSNJ has determined that your current prescription plan is expected to pay out as much, on average, for all plan participants as the standard Medicare prescription coverage. **This means that your plan is considered creditable coverage.** Since your Medicare-eligible beneficiaries and dependents have creditable coverage through your plan, these members may keep your coverage and will not pay higher premiums if they later decide to enroll in Medicare coverage.

Since your plan is creditable, you may be eligible to receive a tax-free subsidy from the federal government for certain retiree medicine costs.

To obtain Model Creditable and Personalized Disclosure Notice language you can use for annual disclosure and for new plan enrollees, visit cms.hhs.gov/creditablecoverage.

The MMA also requires employers to disclose to the Centers for Medicare & Medicaid Services (CMS) whether the coverage offered to Medicare-eligible beneficiaries and dependents is creditable prescription drug coverage. This disclosure must be made to CMS annually and upon any changes that affect whether the coverage is creditable. The *Disclosure to CMS* form can be found at cms.hhs.gov/creditablecoverage.

If your Medicare-eligible health plan members want to purchase a Medicare Part D plan, they may call **1-888-233-2154**, Monday through Friday, between 8 a.m. and 8 p.m., Eastern Time. TTY/TDD users should call **711**.

Sincerely,

Joseph J. Albano
Vice President
Commercial and Major Accounts

CMC0007322A (0715)



Horizon Blue Cross Blue Shield of New Jersey

Three Penn Plaza East
Newark, NJ 07105-2200
HorizonBlue.com

<date>

Important Information about Your Medicare-eligible Members' Prescription Drug Coverage for <group> – <subgroup>

Dear Valued Customer:

You have an obligation under the Medicare Prescription Improvement and Modernization Act (MMA) to disclose to your Medicare-eligible beneficiaries and dependents the creditable status of their current prescription coverage with Horizon Blue Cross Blue Shield of New Jersey. You have this obligation every year prior to open enrollment.

Horizon BCBSNJ has determined that your current prescription plans are not expected to pay out as much, on average, for all plan participants as the standard Medicare prescription coverage. **This means that your plan is considered non-creditable coverage.**

Your Medicare-eligible beneficiaries may join a Medicare Part D plan on an individual basis during open enrollment between **October 15, 2015 and December 7, 2015**. If they do not enroll in Medicare prescription coverage during this open enrollment period, they will have to pay a higher premium if they later decide to enroll in Medicare prescription coverage.* The higher premium will continue for as long as they have Medicare prescription coverage.

To obtain Model Creditable and Personalized Disclosure Notice language you can use for annual disclosure and for new plan enrollees, visit cms.hhs.gov/creditablecoverage.

The MMA also requires employers to disclose to the Centers for Medicare & Medicaid Services (CMS) whether the coverage offered to Medicare-eligible beneficiaries and dependents is creditable prescription coverage. This disclosure must be made to CMS annually and upon any changes that affect whether the coverage is creditable. The *Disclosure to CMS* form can be found at cms.hhs.gov/creditablecoverage.

If your Medicare-eligible health plan members want to purchase a Medicare Part D plan, they may call **1-888-233-2154**, Monday through Friday, between 8 a.m. and 8 p.m., Eastern Time. TTY/TDD users should call **711**.

Sincerely,

Michael J. Considine
Vice President
Consumer and Small Group Markets

* The MMA imposes a late enrollment penalty on individuals who do not maintain creditable coverage for a period of 63 days or longer following their initial enrollment period for the Medicare prescription drug benefit.

CMC0007322D (0715)



Horizon Blue Cross Blue Shield of New Jersey

Three Penn Plaza East
Newark, NJ 07105-2200
HorizonBlue.com

<date>

Important Notice from Horizon Blue Cross Blue Shield of New Jersey about your Prescription Coverage and Medicare

Please read this notice carefully and keep it where you can find it. This notice has information about your current prescription coverage with Horizon Blue Cross Blue Shield of New Jersey and about your options under Medicare's prescription coverage. This information can help you decide whether or not you want to join a Medicare prescription plan. If you are considering joining, you should compare your current coverage, including which medicines are covered at what cost, with the coverage and costs of the plans offering Medicare prescription coverage in your area. Information about where you can get help to make decisions about your prescription coverage is at the end of this notice.

There are two important points you need to know about your current coverage and Medicare's prescription coverage:

- Medicare prescription 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 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.
- Horizon BCBSNJ has determined that the prescription coverage offered by your current Horizon BCBSNJ plan is, on average for all plan participants, expected to pay out as much as standard Medicare prescription 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 prescription plan.

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When Can I Join a Medicare Prescription Plan?

You can join a Medicare prescription plan when you first become eligible for Medicare and each year from October 15th to December 7th.

However, if you lose your current creditable prescription coverage through no fault of your own, you will also be eligible for a two-month Special Enrollment Period (SEP) to join a Medicare prescription plan.

What Happens to My Current Coverage if I Decide to Join a Medicare Prescription Plan?

If you decide to join a Medicare prescription plan, your current Horizon BCBSNJ coverage will not be affected. Your current coverage pays for other health expenses in addition to prescriptions. If you enroll in a Medicare prescription plan, you and your eligible dependents will still be eligible to receive all of your current health and prescription medicine benefits.

If you do decide to join a Medicare prescription plan and drop your current Horizon BCBSNJ coverage, you and your dependents will no longer be eligible for coverage under the Horizon BCBSNJ plan.

When Will I Pay a Higher Premium (Penalty) to Join a Medicare Drug Plan?

If you drop or lose your current coverage with Horizon BCBSNJ and don't join a Medicare prescription plan within 63 continuous days after your current coverage ends, you may pay a higher premium (a penalty) to join a Medicare prescription plan later.

If you go 63 continuous days or longer without creditable prescription coverage, your monthly premium may go up by at least 1 percent 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 percent higher than the Medicare base beneficiary premium.

You may have to pay this higher premium (a penalty) as long as you have Medicare prescription coverage. In addition, you may have to wait until the following October to join.

For More Information About This Notice Or Your Current Prescription Coverage ...

Call the phone number on the next page 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 prescription plan and if this coverage through Horizon BCBSNJ changes. You also may request a copy of this notice at any time.

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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 prescription plans.

For more information about Medicare prescription coverage:

- Visit **medicare.gov**.
- Call your State Health Insurance Assistance Program (see the inside back cover of your copy of the “Medicare & You” handbook for its phone number) for personalized help.
- Call **1-800-MEDICARE (1-800-633-4227)**. TTY users should call **711**.

If you have limited income and resources, extra help paying for Medicare prescription coverage is available. For information about this extra help, visit Social Security on the web at socialsecurity.gov or call **1-800-772-1213** (TTY **1-800-325-0778**).

Remember: Keep this Creditable Coverage notice. If you decide to join one of the Medicare prescription 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).

Contact Office: Horizon Blue Cross Blue Shield of New Jersey
Address: Three Penn Plaza East, Newark, NJ 07105-2200
Phone Number: **1-888-306-8759**

<Date>

Important Notice From Horizon Blue Cross Blue Shield of New Jersey about Your Prescription Coverage and Medicare

Please read this notice carefully and keep it where you can find it. This notice has information about your current prescription coverage with Horizon Blue Cross Blue Shield of New Jersey and about your options under Medicare's prescription coverage. This information can help you decide whether or not you want to join a Medicare prescription 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 points you need to know about your current coverage and Medicare's prescription drug coverage:

- Medicare prescription 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 prescription plans provide at least a standard level of coverage set by Medicare. Some plans may also offer more coverage for a higher monthly premium.
- Horizon BCBSNJ has determined that the prescription coverage offered by your current Horizon BCBSNJ plan is, on average for all plan participants, NOT expected to pay out as much as standard Medicare prescription coverage pays. Therefore, your coverage is considered Non-Creditable Coverage. This is important because, most likely, you will get more help with your medicine costs if you join a Medicare prescription plan than if you only have prescription coverage from your current Horizon BCBSNJ plan. You may also pay a higher premium (a penalty) if you do not join a Medicare prescription plan when you first become eligible.
- You can keep your current coverage from Horizon BCBSNJ. However, because your coverage is non-creditable, you have decisions to make about Medicare prescription coverage that may affect how much you pay for that coverage, depending on if and when you join a prescription plan. When you make your decision, you should compare your current coverage, including what medicines are covered, with the coverage and cost of the plans offering Medicare prescription coverage in your area. Read this notice carefully. It explains your options.

(See reverse side)

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When Can I Join a Medicare Prescription Plan?

You can join a Medicare prescription plan when you first become eligible for Medicare and each year from October 15th to December 7th.

When Will I Pay a Higher Premium (Penalty) to Join a Medicare Prescription Plan?

Since the coverage under your current Horizon BCBSNJ plan is not creditable, you may pay a penalty to join a Medicare prescription plan. You have 63 continuous days after the end of the last month you were first eligible to join a Medicare prescription drug plan. Your penalty would then depend on how long you go without creditable prescription coverage. For example, if 19 months go by without you having prescription coverage that's creditable:

- Your monthly premium may go up by at least 1 percent of the Medicare base beneficiary premium per month for every month you do not have creditable coverage, including the 63 days after you became eligible.
- Your premium may be at least 19 percent higher than the Medicare base beneficiary premium.
- You may have to pay this higher premium (penalty) as long as you have Medicare prescription coverage.
- You may have to wait until the following October to join a Part D plan.

What Happens to My Current Coverage if I Decide to Join a Medicare Drug Plan?

If you decide to join a Medicare drug plan, your current Horizon BCBSNJ coverage will not be affected. Your current coverage pays for other health expenses in addition to prescriptions. If you enroll in a Medicare prescription plan, you and your eligible dependents will still be able to receive all of your current health and prescription benefits.

If you do decide to join a Medicare prescription plan and drop your current Horizon BCBSNJ coverage, you and your dependents will not be able to get back Horizon BCBSNJ coverage.

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

Call the number on the next page 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 prescription plan and if this coverage through Horizon BCBSNJ changes. You also may request a copy of this notice at any time.

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More detailed information about Medicare plans that offer prescription 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 prescription plans. For more information about Medicare prescription drug coverage:

- Visit **medicare.gov**.
- Call your State Health Insurance Assistance Program (see the inside back cover of your copy of the “Medicare & You” handbook for their phone number) for personalized help.
- Call **1-800-MEDICARE (1-800-633-4227)**. TTY users should call **711**.

If you have limited income and resources, extra help paying for Medicare prescription coverage is available. For information about this extra help, visit Social Security at **socialsecurity.gov** or call **1-800-772-1213 (TTY 1-800-325-0778)**.

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