

## Important Notice from Neighborhood Health Plan of Rhode Island About Your Prescription Drug Coverage and Medicare

### What Information Does this Notice Contain?

Please read this notice carefully and keep it where you can find it. This notice has information about your current prescription drug coverage with Neighborhood Health Plan of Rhode Island (Neighborhood) and about your options under Medicare's prescription drug coverage, if you are eligible for Medicare. This information can help you decide whether or not you want to join a Medicare drug plan, if you are eligible for Medicare. If you are considering joining, you should compare your current coverage, including which drugs are covered at what cost, with the coverage and costs of the plans offering Medicare prescription drug coverage in your area. 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, if you are eligible for Medicare. 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. Neighborhood has determined that the prescription drug coverage offered by the Neighborhood INNOVATION plan 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, if you are eligible for Medicare, than if you only have prescription drug coverage from the Neighborhood INNOVATION plan. 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 the Neighborhood INNOVATION plan. However, because your coverage is non-creditable, you have decisions to make about Medicare prescription drug coverage, if you are eligible for Medicare, 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 to December 7, if you are eligible for Medicare. However, if you decide to drop your current coverage with Neighborhood, since it is employer/union sponsored group coverage, you will be eligible for a two month Special Enrollment Period to join a Medicare drug plan; however you also may pay a higher premium (a penalty) because you did not have creditable coverage under Neighborhood INNOVATION.

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

Since the coverage under the Neighborhood INNOVATION 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, if you are eligible for Medicare. Starting with the end of the 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 decide to join a Medicare drug plan, if you are eligible for Medicare, your current Neighborhood coverage will be affected. You can keep this coverage if you elect Part D. Your current coverage pays for other health expenses in addition to prescription drugs. If you enroll in a Medicare prescription drug plan, you and your eligible dependents will still be eligible to receive all of your current health and prescription drug benefits. If you drop your current prescription drug coverage, you may enroll back into the Neighborhood benefit plan during an open enrollment period under the Neighborhood benefit plan.

## **Where Can You Get More Information About This Notice Or Your Current Prescription Drug Coverage?**

Contact Neighborhood Member Services using the contact information listed below 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, if you are eligible for Medicare, and if this coverage through Neighborhood changes. You also may request a copy of this notice at any time.

## **Where Can You Get 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, if you are eligible for Medicare. You may also be contacted directly by Medicare drug plans, if you are eligible for Medicare.

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). TDD/TDD/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 (TDD/TDD/TTY 1-800-325-0778).

- **Date:** August 14, 2023
- **Name of Entity/Sender:** Neighborhood Health Plan of Rhode Island
- **Contact—Position/Office:** Neighborhood Member Services
- **Address:** Neighborhood Health Plan of Rhode Island, 910 Douglas Pike, Smithfield RI 02917
- **Phone Number:** 1-855-321-9244