

NOTICE OF CREDITABLE PRESCRIPTION COVERAGE

Please read this notice carefully and keep it with your benefits records.

The purpose of this notice is to advise you that the prescription drug coverage with the School District of Spring Valley (SDSV) is expected to pay out, on average, at least as much as the standard Medicare prescription drug coverage pays in the year 2023. As such, the Plan's prescription drug coverage constitutes "creditable coverage".

Why is this important?

This notice is important because it proves that you have creditable coverage. Because our prescription coverage is creditable coverage, you may be protected from having to pay a penalty if you subsequently lose or drop this coverage. This protection applies as long as you do not have a break of 63 days or more between the time creditable coverage under the Plan ends and your Medicare Part D prescription plan coverage begins.

Notice of Creditable Coverage

Please read this notice carefully and keep it where you can find it. This notice has important information about your current SDSV medical plan (including prescription drug coverage) 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 if you become covered by Medicare in 2023. 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.

Two important things you need to know about your current SDSV plan coverage and Medicare's prescription drug coverage:

- 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 and 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.
- SDSV has determined that the prescription drug coverage administered by Liviniti is, 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 you will not pay a high 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 through December 7. However, if you lose your current creditable prescription drug coverage, through no fault of your own (for example, you leave employer coverage), you will be eligible for a two-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 SDSV coverage will not be affected. You may coordinate the SDSV medical plan (including prescription) with a Medicare prescription drug plan. If you decide to enroll in a Medicare prescription drug plan and drop your SDSV medical plan (including prescription), be aware that you and your dependents may not be able to get your SDSV coverage back during the current plan year, unless you experience a mid-year qualifying event as described in the SDSV plan. However, provided you remain eligible, you may enroll back in SDSV's medical plan (including prescription) during the next open enrollment period under the SDSV plan.

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 SDSV and do not 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 will 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 will 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 next 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 contained in the “Medicare & You” handbook. Medicare participants will get a copy of the handbook in the mail every year from Medicare. You may also be contacted directly by Medicare prescription drug plans. Here are additional resources for information about Medicare prescription drug plans:

- Visit Medicare’s website at www.medicare.gov.
- Call your State Health Insurance Assistance Program (see the inside back cover 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 1-800-772-1213. TTY users should call 1-800-325-0778.

For more information about this notice

For more information about this notice, contact John E. Groh at 715-778-5551. NOTE: You will 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 the School District of Spring Valley changes. You may also request a copy of this notice at any time. A copy of this notice is also posted on the SDSV website.

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 were required to pay a higher premium (a penalty).

Date of notice: September 10, 2023

Name of entity/sender: School District of Spring Valley

Contact – District Office

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