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SouthCarolinaBlues.com

October 4, 2019

ARMSTRONG WEALTH MANAGEMENT GR  
STE A  
1807 W EVANS ST  
FLORENCE, SC 29501-3374

Dear Benefits Coordinator:

We are pleased to inform you that your group's 2020 health plan drug benefit is **creditable coverage**. That means the drug benefits are equal to or better than Medicare's prescription drug plan. The Medicare Modernization Act requires employers to provide this information to Medicare-eligible employees enrolled in their group health plans.

#### **Why is this important?**

Medicare-eligible individuals who have creditable prescription drug coverage can enroll in a Medicare Part D prescription drug plan after their initial eligibility period and do not have to pay a late enrollment fee. However, if they drop or lose creditable coverage for 63 or more days in a row before enrolling, they will pay a late-enrollment penalty.

#### **What do you need to do?**

Please give the enclosed notice to Medicare-eligible employees (and eligible dependents) covered under your plan. **If they choose to enroll, they must do so during open enrollment, which is October 15 through December 7 of this year.** Also, each year you must notify the Centers for Medicare & Medicaid Services (CMS) that your group's coverage is creditable or not creditable to Medicare's prescription drug plan. We have enclosed guidelines that explain how employers should notify CMS.

You and your employees can learn more about Medicare Part D at Medicare.gov. If you have questions, please contact BlueCross customer service toll free at 800-868-2500, ext. 41010.

Sincerely,

Manny Licata  
Vice President of Operations  
Group and Individual Products

# Important Notice from BlueCross® BlueShield® of South Carolina About Your Prescription Drug Coverage and Medicare

**Please read this notice carefully and keep it where you can find it.** This notice has information about your current prescription drug coverage with BlueCross and prescription drug coverage available for people with Medicare. It also explains the options you have under Medicare prescription drug coverage and can help you decide whether you want to enroll. At the end of this notice is information about where you can get help to make decisions about your prescription drug coverage.

- 1. Please read this notice carefully and keep it where you can find it.** This notice has information about your current prescription drug coverage with BlueCross and prescription drug coverage available for people with Medicare. It also explains the options you have under Medicare prescription drug coverage and can help you decide whether you want to enroll. At the end of this notice is information about where you can get help to make decisions about your prescription drug coverage.
- 2. BlueCross has determined that your prescription drug coverage is,** on average for all plan participants, expected to pay out as much as the standard Medicare prescription drug coverage will pay and is considered **Creditable Coverage**.

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**Because your existing coverage is on average at least as good as standard Medicare prescription drug coverage, you can keep this coverage and not pay extra if you later decide to enroll in Medicare prescription drug coverage.**

Individuals can enroll in a Medicare prescription drug plan when they first become eligible for Medicare and each year from October 15 through December 7. Beneficiaries leaving employer/union coverage may be eligible for a Special Enrollment Period to sign up for a Medicare prescription drug

You should compare your current coverage, including which drugs are covered, with the coverage and cost of the plans offering Medicare prescription drug coverage in your area.

**If you decide to enroll in a Medicare prescription drug plan and drop your BlueCross prescription drug coverage, be aware that you and your dependents may not be able to get this coverage back. Please contact us for more information about what happens to your coverage if you enroll in a Medicare prescription drug plan.**

**Here are the details of your current coverage:**

Group Name:	<b>ARMSTRONG WEALTH MANAGEMENT GR</b>
BlueCross Group Number:	<b>651901100</b>
Drug Plan:	<b>INCLUDED</b>
Medical Deductible:	<b>\$1,500</b>
Out-of-Pocket Maximum:	<b>\$4,500</b>

You should also know that if you drop or lose your coverage with BlueCross and don't enroll in Medicare prescription drug coverage after your current coverage ends, you may pay more (a penalty) to enroll in Medicare prescription drug coverage later.

If you go 63 days or longer without prescription drug coverage that's at least as good as Medicare's prescription drug coverage, your monthly premium will go up at least 1 percent per month for every month that you did not have that coverage. For example, if you go 19 months without coverage, your premium will always be at least 19 percent higher than what many other people pay. You'll have to pay this higher premium as long as you have Medicare prescription drug coverage. In addition, you may have to wait until the following November to enroll.

**For more information about this notice or your current prescription drug coverage:**

Contact BlueCross customer service at 803-264-1010 or toll free at 800-868-2500, ext. 41010.

NOTE: You will receive this notice annually and at other times in the future, such as before the next period you can enroll in Medicare prescription drug coverage, and if this coverage through BlueCross changes. You also may request a copy of this notice.

**For more information about your options under Medicare prescription drug coverage:**

Read the "Medicare You" handbook. You'll get a copy of the handbook in the mail every year from Medicare. Medicare-approved prescription drug plans may also contact you directly. For more information about Medicare prescription drug plans:

- Visit Medicare.gov.
- Call your State Health Insurance Assistance Program (see your copy of the "Medicare & You" handbook for their telephone number) for personalized help.
- Call 800-MEDICARE (800-633-4227). TTY users should call 877-486-2048.

For people with limited income and resources, extra help paying for Medicare prescription drug coverage is available. Information about this extra help is available from the Social Security Administration (SSA) online at SocialSecurity.gov, or you can call 800-772-1213 (TTY 800-325-0770).

**Remember: Keep this notice. If you enroll in one of the new plans approved by Medicare that offer prescription drug coverage, you may be required to provide a copy of this notice when you join to show that you are not required to pay a higher premium amount.**

**Date: October 2019**

**Name of Entity/Sender: BlueCross BlueShield of South Carolina**

**Contact:** ARMSTRONG WEALTH MANAGEMENT GR  
STE A  
1807 W EVANS ST  
FLORENCE, SC 29501-3374

# CMS NOTIFICATION GUIDELINES

## How to notify CMS of your creditable or non-creditable coverage status

### **Who Must Provide the Disclosure Notice to CMS**

All employers who provide group health coverage, offer prescription drug coverage and have Medicare-eligible individuals covered under their plan must notify the Centers for Medicare Medicaid Services (CMS) annually as to whether their coverage is creditable or not creditable to Medicare's prescription drug plan.

These employers must complete the online Disclosure Notice and submit it to CMS annually and any time there is a change in the drug coverage that affects the creditable coverage status. At a minimum, employers must also provide disclosure to CMS at these times:

1. For plan years that end in 2007 and beyond, disclosure of creditable coverage status must be submitted within 60 days after the beginning date of the plan year for which the entity is providing the disclosure to CMS.
2. Within 30 days after the termination of the prescription drug plan.
3. Within 30 days after any change in the creditable coverage status of the prescription drug plan.

### **Completing the CMS Disclosure Form**

For more information about CMS requirements, go to the CMS Creditable Coverage Disclosure Web page at [www.cms.hhs.gov/creditablecoverage](http://www.cms.hhs.gov/creditablecoverage). There you will find the Disclosure to CMS Guidance document. The Disclosure to CMS Form may be accessed under the "Related Links Inside CMS" heading on this page.

The form is also located at [www.cms.hhs.gov/CreditableCoverage/45\\_CCDisclosureForm.asp](http://www.cms.hhs.gov/CreditableCoverage/45_CCDisclosureForm.asp). All employers must complete the online Disclosure Form. There is no paper (or printable) form available.

# Facts About Medicare Prescription Drug Plans

## Who Must Provide the Disclosure Notice to CMS

Since January 1, 2006, insurance companies and other private companies have been offering Medicare-eligible people new Medicare prescription drug plans with negotiated discounts on drug prices. These plans are not the Medicare-approved drug discount cards that were phased out May 15, 2006.

Medicare prescription drug plans provide insurance coverage for prescription drugs. As with other insurance, if you join you will pay a monthly Part D premium (in addition to your Part B premium) and pay a share of the cost of your prescriptions. Costs will vary depending on the drug plan you choose.

Drug plans may vary as to what prescription drugs are covered, how much you will pay and which pharmacies you can use. Most plans will have a formulary, which is a list of drugs covered by the plan. This list must always meet Medicare's requirements, but it can change when plans get new information. Your plan must let you know at least 60 days before a drug you use is removed from the list or if the costs are changing. If your doctor thinks you need a drug that isn't on the list, or if one of your drugs is being removed from the list, you or your doctor can apply for an exception or appeal the decision.

## What will be paid for under a Medicare prescription drug plan?

When you get Medicare prescription drug coverage, you will pay a premium each month to join the drug plan. If you have Medicare Part B, you also pay your monthly Part B premium. If you belong to a Medicare Advantage Plan or Medicare Cost Plan, the monthly premium you pay to the plan may increase if you add prescription drug coverage. Your plan must, at a minimum, provide a standard level of coverage as shown below. Some plans offer more coverage or lower premiums. Your costs will vary depending on which plan you choose.

For Standard Coverage (the minimum coverage drug plans must provide):

If you join in 2013, for covered drugs you will pay ...

- A monthly premium (varies depending on the plan you choose).

You pay a copayment or coinsurance and the plan pays its share for each covered drug until total payment reaches \$2,970.

Once you and your plan have spent \$2,970 for covered drugs ...

- You pay 47.5 percent of the costs of brand name drugs, including a dispensing fee.
- You pay 79 percent of the costs of generic drugs, until your out-of-pocket costs for the year reach \$4,750.

After your out-of-pocket drug costs reach \$4,750, you pay the greater of ...

- \$2.65 copayment for a generic drug (including name-brand drugs treated as generic) or \$6.60 copayment for any other drug
- OR, 5 percent coinsurance

## When can I join a Medicare prescription drug plan?

Individuals can enroll in a Medicare prescription drug plan when they first become eligible for Medicare and each year from October 15 through December 7. Your coverage will be effective the first day of the month after the month you join. Even if you don't use a lot of prescription drugs now, you should consider joining a plan. If you don't join a plan when you are eligible, and you don't have a drug plan that covers as much or more than a Medicare prescription drug plan, you will have to pay more each month to join later.

### **What if I can't pay for a Medicare prescription drug plan?**

Some people with an income at or below a set amount and with limited assets (including your savings and stocks, but not counting your home) will qualify for extra help. The type of extra help will be based on your income and assets. If you think you qualify for extra help, you can sign up with Social Security Administration or your local Medicaid office.

### **Do Medicare prescription drug plans work with all types of Medicare health plans?**

Yes. There will be Medicare prescription drug plans that add coverage to the original Medicare plan and private fee-for-service plans. Insurance companies and other private companies offer these plans. There are also other drug plans that are a part of Medicare Advantage Plans (like HMOs) in some areas.

### **What if I already have prescription drug coverage?**

If you have prescription drug coverage, either through an individual policy or through a group from an employer or union, you will get a notice that tells you whether that coverage is creditable or not. It is creditable coverage if your plan covers as much or more than a Medicare prescription drug plan.

#### **If your current plan covers as much as or more than a Medicare prescription drug plan (it is creditable drug coverage) you can:**

- Keep your current drug plan. If you join a Medicare prescription drug plan later your monthly premium won't be higher.
- Drop your current drug plan and join a Medicare prescription drug plan, but you may not be able to get your current drug plan back.

#### **If your current plan covers less than a Medicare prescription drug plan (it is NOT creditable drug coverage) you can:**

- Keep your current drug plan and join a Medicare prescription drug plan to give you more complete prescription drug coverage
- Just keep your current drug plan. But if you join a Medicare prescription drug plan later, you will have to pay more for the monthly premium.
- Drop your current drug plan and join a Medicare prescription drug plan, but you may not be able to get your current drug plan back.

### **When will I get more information?**

Medicare has begun to provide more information about Medicare prescription drug plans, including how to choose and join a drug plan that best meets your needs. The "Medicare & You" handbook lists the Medicare prescription drug plans available in your area.

### **How can I get help choosing a Medicare prescription drug plan?**

You can get personalized information at the Medicare website ([www.medicare.gov](http://www.medicare.gov)) or by calling 800-MEDICARE (800-633-4227) to help you make your best choice. TTY users should call 877-486-2048. Your State Health Insurance Assistance Program and other local and community-based organizations will also provide you with free health insurance counseling.