

# IMPORTANT LEGAL NOTICES

City of Chandler is required by federal law to provide benefit plan participants with certain legal notices each year. This document fulfills that obligation and does not require you to act, unless you wish to exercise one or more of the rights explained in this document.

**Please read this notice carefully and keep it where you can find it.** If you have any questions regarding these legal notices, please contact Human Resources.

## Important Notice From City Of Chandler 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 the City of Chandler 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 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 two 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. 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. The City of Chandler has determined that the prescription drug coverage offered by the Red and Blue Medical Plans 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 not pay a higher premium (a penalty) if you later decide to join a Medicare drug plan. It is important that you continue to register for Medicare Parts A and B when you turn age 65.

### **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 November 15<sup>th</sup> through December 31<sup>st</sup>.

However, if you lose your current creditable prescription drug coverage, through no fault of your own, you will also be eligible for a two (2) 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 City of Chandler coverage will not be affected. You may keep your City of Chandler coverage if you elect Medicare Part D and the Red or Blue Medical Plan will remain your primary coverage and will coordinate with Part D coverage, if necessary.

If you do decide to join a Medicare drug plan and drop your current City of Chandler coverage, be aware that you and your dependents will not be able to get this coverage back until the next open enrollment period unless there is an interim qualifying family status change event.

### **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 City of Chandler and don't 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 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 (a penalty) as long as you have Medicare prescription drug coverage. In addition, you may have to wait until the following November to join.

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

Contact the person listed below for further information at 480-782-2350. **NOTE:** You'll 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 City of Chandler changes. You also may request a copy of this notice at any time.

### **For 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. You may also be contacted directly by Medicare drug plans.

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

**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 are required to pay a higher premium (a penalty).**

Date:	October 1, 2015
Name of Entity/Sender:	City of Chandler
Contact--Position/Office:	City of Chandler Benefit Programs Supervisor
Address:	175 S. Arizona Ave Chandler, AZ 85225
Phone Number:	480-782-2350

## Your Special Enrollment Rights

To ensure individuals have access to health care coverage, Congress enacted the Health Insurance Portability and Accountability Act (HIPAA) of 1996. Under the special enrollment provisions of HIPAA, you may be eligible to enroll in a City medical plan during the Plan Year, even if you previously declined coverage. This right extends to you and all eligible family members.

You will be eligible to enroll yourself (and *any* eligible dependents) in a City medical plan if...

- Your or your dependents' COBRA coverage under another plan ends involuntarily<sup>1</sup>
- You or your dependents have lost coverage under another plan because:
  - Employer contributions to the plan stopped (this will apply even if the covered individual continues receiving coverage under the prior plan by paying the amount previously paid by the employer)
  - The plan was terminated, or
  - There was a loss of eligibility due to divorce, legal separation, death, termination of employment, a reduction in hours to part-time status that affected benefits eligibility, the covered individual no longer lives or works in an HMO service area and no other benefit option is available, or the plan no longer offers benefits to a class of individuals that includes the previously covered individual.
- As a covered employee, a court has ordered you to provide coverage for a dependent.
- You or your dependent child loses eligibility for a state-sponsored Children's Health Insurance Plan or Medicaid coverage (you must notify the Human Resources Department within 60 days of the loss of eligibility); or,
- You or your dependent child gains eligibility for premium assistance subsidy under a state-sponsored Children's Health Insurance Plan or Medicaid (you must notify the Human Resources Department within 60 days of determination of subsidy eligibility).

In addition, if you gain a new dependent during the year (through birth, legal adoption or placement for adoption, or marriage), you may enroll that dependent, as well as yourself and any other eligible dependents, in your medical plan – again, even if you previously declined medical coverage.

This special enrollment right...

- Will be extended to you only if you notify the Human Resources Department **within 31 days of the event unless stated otherwise above**; and,
- Applies to medical coverage only. If you declined any other coverages, you must either wait until Open Enrollment to elect such coverage, or until you experience a qualifying change in status that enables you to change your benefit elections, in which case you may only make certain changes. For more details, see your benefit booklet.

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<sup>1</sup> Please be aware that you (or your dependent) do not need to elect COBRA continuation coverage to preserve your (or your dependent's) special enrollment rights; conversely, this special enrollment right is available even if COBRA coverage is elected.

## **Health Insurance Portability and Accountability Act (HIPAA) Notice of Privacy Practices for Protected Health Information**

The Red and Blue Plan privacy notice describes how protected health information about you may be used or disclosed and how you can obtain access to your protected health information. The HIPAA Privacy Notice is also available in the Summary Plan Description, available on the Chanweb website. You may also request a printed copy of your HIPAA rights by contacting City of Chandler Benefit Program Supervisor at 480-782-2350.

## **Women's Health and Cancer Rights Act of 1998 Notice**

As specified in the Women's Health and Cancer Rights Act of 1998, each medical plan sponsored by the City of Chandler provides coverage for the following breast reconstruction procedures in connection with mastectomies:

- Reconstruction of the breast that was operated on;
- Surgery and reconstruction of the other breast to produce a symmetrical appearance; and
- Protheses and treatment of physical complications at all stages of the mastectomy, including lymphedemas.

Of course, coverage is provided in a manner determined in consultation with the attending physician and the patient. The deductible and the copayment requirements that apply to medical and surgical benefits also apply to these post-mastectomy reconstructive and treatment services.