



THE BOARD OF PENSIONS
OF THE PRESBYTERIAN CHURCH (U.S.A.)

***IMPORTANT NOTICE
from the Board of Pensions
about your prescription drug
coverage and Medicare***

NOTICE OF CREDITABLE COVERAGE

For active Medical Plan members and spouses age 65 and older

Regardless of whether you are currently working or already retired, it's important to read this notice carefully and keep it where you can find it.

This notice discusses your prescription drug coverage options under Medicare, the primary source of your healthcare coverage in retirement. It explains **what you must do to avoid having to pay a penalty** for Medicare prescription drug coverage throughout your retirement years.

It also has information about:

- For active Medical Plan members, your current prescription drug coverage under the Medical Plan of the Presbyterian Church (U.S.A.) (the “Medical Plan”);
- Medicare Part D prescription drug coverage, through either a stand-alone plan or a combination plan, such as a Medicare Advantage plan with prescription drug coverage; and
- Where to find more information to help you make decisions about your prescription drug coverage.

Note: If you are an active Medical Plan member, or the spouse of an active Medical Plan member, you do not need to do anything regarding other prescription drug coverage at this time. You will continue to receive your prescription drug coverage through the active Medical Plan. Keep in mind, however, that post-retirement healthcare coverage is an issue that deserves your time and attention. You should be ready to make decisions regarding this coverage when you retire. Your first step is to read this notice.

What is Medicare Part D coverage?

Medicare prescription drug coverage (that is, Medicare Part D) was introduced in 2006 to help seniors pay for prescription drugs taken at home. Offered by private insurers and partially subsidized by the federal government and the pharmaceutical industry, Medicare Part D plans must provide at least a standard level of coverage established by Medicare. Beyond that, benefits and premiums vary.

The Centers for Medicare & Medicaid Services (CMS) sets the minimum standards for Medicare Part D plans, determines if a plan meets those standards, and helps cover costs. CMS does not administer Medicare Part D plans.

There are two ways to get Medicare Part D coverage at retirement: (1) through a stand-alone Medicare prescription drug plan or (2) through a combination medical supplement and prescription drug plan.

Stand-alone Medicare Part D prescription drug plans

You can add a stand-alone Medicare Part D plan that offers prescription drug coverage only to other post- 65 retirement medical coverage.

Combination plans

A combination plan provides prescription drug coverage plus supplemental medical coverage. Medicare Advantage plans with prescription drug coverage, such as the Humana Group Medicare Advantage PPO plan available through the Board of Pensions, are combination plans that include Medicare Part D coverage. If you subscribe to one of these plans, you don't need stand-alone Medicare Part D coverage.

What is creditable coverage?

The Board of Pensions and its actuary, Milliman Inc., have determined that your prescription drug coverage under the Medical Plan is creditable coverage. We reached this conclusion because the plan is expected to pay out, on average for all participants covered by the plan this year, as much as — or more than — what the standard Medicare prescription drug plan pays.

Maintaining creditable coverage before enrolling in a Medicare Part D plan:

- allows you to **pay a lower premium** than you would otherwise have to pay; and
- **eliminates the delay in enrollment** you might otherwise experience.

Because your coverage under the Medical Plan is creditable, you can continue to participate in its programs, and you won't have to pay a higher premium (penalty) if you decide to enroll in another Medicare prescription drug plan at a later date.

Without creditable coverage, you also may have to wait a period of time before you can join a Medicare prescription drug plan. But if you lose creditable prescription drug coverage through no fault of your own (e.g., if you are enrolled in a Medicare Advantage plan and it closes), you will be eligible for a two-month Special Enrollment Period to join a Medicare prescription drug plan and will avoid interruption to your creditable coverage.

It's a good idea to evaluate your coverage annually and compare it to other plans, as costs and formularies vary considerably from plan to plan. (A formulary is a plan's list of covered drugs.) If your current plan doesn't cover a costly drug that you take for an ongoing condition, for instance, you may want to consider changing plans.

When can you join a Medicare Part D plan?

You can join a Medicare prescription drug plan when you first become eligible for Medicare and, after that, each year from **Oct. 15 to Dec. 7**.

Effects of enrolling in another Medicare Part D plan while covered under the Medical Plan:

If you are an active member of the Medical Plan, you **should not enroll** in Medicare Part D coverage until you retire or leave the plan. (Although CMS does not prohibit your enrollment in a Medicare Part D plan when you are actively working and covered by an employer plan, doing so would create a needless duplication of coverage.)

Effect of gap in coverage after dropped or lost coverage with the Medical Plan

If you drop or lose your coverage with the Medical Plan and do not enroll in a Medicare Part D plan **within 63 continuous days** after your coverage ends, you'll likely have to pay a higher premium (penalty) to join a Medicare Part D plan later.

If so, your monthly premium may increase by at least 1% per month of the Medicare base beneficiary premium per month for every month you did not have that coverage. For example, if you go 19 months without prescription drug coverage, your Medicare prescription drug plan premium may be at least 19% higher than the Medicare base beneficiary premium. You may have to pay this penalty for as long as you have a Medicare prescription drug plan. In addition, you may have to wait until next October to enroll.

For more information

Please call the Board of Pensions at 800-PRESPLAN (800-773-7752) (TTY: 711) for information about your current prescription drug coverage or the contents of this notice regarding creditable coverage.

You should expect this notice each fall before the next open enrollment period for Medicare prescription drug plans and if your coverage through the Medical Plan.) changes. You may also request a copy at any time.

More detailed information about Medicare Part D plans is provided by the "Medicare & You" handbook that Medicare mails to you each year. You also may be contacted by any number of private Medicare Part D plans.

For further information about Medicare prescription drug plans:

- Go to medicare.gov for information, resources, and personalized help.
- Call your State Health Insurance Assistance Program (see your copy of the "Medicare & You" handbook for the telephone number).
- Call 800-MEDICARE (800-633-4227) (TTY users: 877-486-2048).

Note: If you have limited income and resources, you may qualify for help paying for a Medicare prescription drug plan. Contact the Social Security Administration for information about qualifying for this help. Go to [socialsecurity.gov](https://www.socialsecurity.gov) or call Social Security at 800-772-1213 (TTY users: 800-325-0778).

Remember!

Keep this notice of creditable coverage. If you decide to join another Medicare Part D plan, you may be required to give a copy of this notice to that plan to show that you maintained creditable coverage and are exempt from paying a higher premium (penalty).

Date: October 9, 2024

The Board of Pensions of the Presbyterian Church (U.S.A.)
2000 Market Street
Philadelphia, PA 19103-3298
800-PRESPLAN (800-773-7752) (TTY: 711)
[pensions.org](https://www.pensions.org)