



**TOWN OF
PETERSHAM
SELECTBOARD**

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Notice

TO: All Petersham Town Employees & Retirees
RE: Credible Coverage Disclosure Notice & Rates for MIIA Health Benefits Trust Starting June 2016
FROM: Steven C. Boudreau-Administrative Coordinator
Date: April 1, 2016

Please find information below regarding Credible Coverage for your Prescription Drug Coverage and Medicare and MIIA Health Benefits Trust Rates starting June 2016 for all employees/retirees enrolled in health insurance plans through the Town of Petersham. Please make note. If you have any questions please feel free to contact me at the address listed above. Long life and continued good health to all.

Creditable Coverage Disclosure Notice
Important Notice from the Town of Petersham 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 prescription drug coverage with Petersham 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. Petersham has determined that the prescription drug coverage offered by the Network Blue Options or MEDEX are, 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.

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 15th through December 7th. However, if you lose your current creditable prescription drug coverage, through no fault of your own, you will also be eligible for a (2) 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 Petersham coverage will not be affected. However, as an enrollee, you would likely have more prescription drug coverage than is needed. Please consult with your Town's benefit administrator on this

topic. If you do decide to join a Medicare drug plan and drop your current Petersham coverage, be aware that you and your dependents may only be able to get your current coverage back at limited opportunities.

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 Petersham 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 Administrative Coordinator Steven C. Boudreau at 978-724-3353 or stevenboudreau391@gmail.com.

Note: You will get this notice each year before the next period you can join a Medicare drug plan (the Annual Coordinated Election Period, AEP, beginning October 15th) and if this coverage through Petersham changes. You may also 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

*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, 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).

MIA Health Benefits Trust FY2016 Rates

Town pays 75% of active employee monthly premium rate; active employee pays 25% of monthly premium rate (BCBS HMO Blue Family & Individual Plans). Town pays 50% of retired employee monthly premium rate, retired employee pays 50% of monthly premium rate (BCBS Medex III Plans). Monthly premium rates below.

Monthly Contributions Rates 6/1/2016-6/30/2017-Petersham

Products	Current Rates	Renewal Rates	Increase	Employee/Retiree Share per month
BCBS HMO Blue Option <i>Single</i>	\$668.56	\$754.14	12.80%	25%=\$188.54
BCBS HMO Blue Option <i>Family</i>	\$1,738.20	\$1,960.69	12.80%	25%=\$490.17
Medex III Individual	\$637.50	\$719.10	12.80%	50%=\$359.75

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