



Smithsonian Institution

The key purpose of this notice is to advise you that the prescription drug coverage you have under your Smithsonian medical plan is expected to pay out, on average, at least as much as the standard Medicare prescription drug coverage will pay in 2016. (This is known as “creditable coverage.”) The reason this is important is that if you or a covered dependent are or become eligible for Medicare and you decide to enroll in a Medicare prescription drug plan during a subsequent annual enrollment period, you will not be subject to a late enrollment penalty as long as you had creditable coverage within 63 days of your Medicare prescription drug plan enrollment. You should keep this notice with your important records.

Important Notice from Smithsonian Institution about Your Prescription Drug Coverage and Medicare Creditable Coverage

Please read this notice carefully and keep it where you can find it. This notice has information about your current prescription drug coverage with Smithsonian Institution 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. Smithsonian Institution has determined that the prescription drug coverage offered by the Smithsonian Institution Health & Welfare plan, 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 to 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 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 Smithsonian Institution coverage will not be affected. You can keep this coverage if you elect part D and this plan will coordinate with Part D coverage.

As someone who is eligible to participate in the Smithsonian Trust health insurance plan, if you are or when you become eligible for Medicare, you can keep your current Smithsonian health coverage and not pay extra if you later decide to enroll in a Medicare prescription drug plan. If you decide to enroll in a Medicare prescription drug plan, you may also continue your Smithsonian health coverage. You may also drop your Smithsonian health coverage, in which case

Medicare will be your only payer. As long as you remain eligible, you can reenroll in the Smithsonian sponsored plan at our annual open enrollment or if you have a qualifying life event (e.g. divorce, spouse loses coverage, etc.).

In 2016, the Smithsonian is planning to offer the following prescription drug plans available to Medicare eligible individuals:

- All CareFirst plans, and
- All Medicare Advantage plans (e.g. Kaiser Medicare Advantage and Tuft’s Medicare Preferred HMO plan), and
- The Harvard Pilgrim HealthCare Medicare Enhance Preventive Plus plan.

	Smithsonian Benefits Program	Medicare Prescription Drug Plan
Premiums	You pay the premium the same way that you do now.	You pay the premium to the Medicare prescription drug plan that you choose. The amount would depend on the type of coverage that you choose. For people with limited income and resources, extra help paying for a Medicare prescription drug plan is available.
Covered Drugs	You should already know how this plan decides what drugs are covered and how that impacts you.	Each Medicare prescription drug plan will cover different brand name drugs at different costs to you. Your drugs may not be covered under every plan, so you need to choose carefully. For instance, one plan might cover your current Brand-name medication, and another might not.
Cost-Sharing	You should already be familiar with the copayments, and other costs you pay under this plan.	Each Medicare prescription drug plan may have a different deductible, copayments, and other costs that you will be responsible for paying.
Pharmacies	You should already be familiar with the retail and mail order pharmacies used by this plan.	Each Medicare prescription drug plan will have a different network of retail and mail order pharmacies.

Following is an explanation of the current prescription drug coverage plan provisions/options available through your Smithsonian Institution plans.

Plan Name	Generic Copay (30 Day Supply)	Formulary Brand (30 Day Supply)	Non Formulary Brand (30 Day Supply)	Non Preferred Specialty Drug (30 Day Supply)	Status
CareFirst Plans: (Blue Choice, HMO Open Access, Blue Choice Opt-Out Open Access, BluePreferred PPO and Indemnity)	\$10	\$30	\$55	N/A	Creditable
Kaiser Permanente HMO	\$10	\$25	\$45	N/A	Creditable
Harvard Pilgrim HMO	\$5 or \$20 (higher cost)	\$30	\$50	20% coinsurance to \$250/Rx	Creditable

If you do decide to join a Medicare drug plan and drop your current Smithsonian Institution coverage, be aware that you and your dependents will not be able to get this coverage back except during open enrollment or if you experience a qualified life 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 Smithsonian Institution 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 Your Human Resources Representative.

NOTE: You will receive this notice each year. You will also receive it before the next period you can join a Medicare drug plan, and if this coverage through Smithsonian Institution 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 receive 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).

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