

**Important Notice from Penn Medicine Lancaster General Health for
Employees and/or Your Dependents
Eligible for Medicare or Already in a Medicare Plan
Prescription Drug Coverage and Medicare – October 08, 2024**

Please read this notice carefully and keep it where you can find it, as you may need to present this to Medicare at some time in the future. This notice contains information regarding your current prescription drug coverage with LG Health/Penn Medicine 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 or not 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.

You can join a Medicare prescription drug plan or join a Medicare Advantage Plan (like an HMO or PPO) that offers prescription drug coverage. All Medicare prescription 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.

Penn Medicine Lancaster General Health has determined that the prescription drug coverage offered through LG Select and LG Consumer Health Plans, 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”. Because this 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 decide to enroll in Medicare prescription drug coverage.

Under your coverage with LG Select and LG Consumer Health Plans you are currently offered a prescription drug program that covers the following:

Benefit	Retail – 30 day supply*	Mail Order- Up to a 90 day supply (Certain Maintenance Drugs)*
Generic Prescriptions	\$15.00 co-pay	\$30.00 co-pay
Brand Prescriptions	\$45.00 co-pay	\$90.00 co-pay
Non-Formulary Prescriptions	\$75.00 co-pay	\$150.00 co-pay

*LG Consumer Health Plan deductible applies.

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 coverage may be eligible for a Special Enrollment Period to sign up for a Medicare prescription drug plan. Failure to enroll within this time period could result in a late enrollment penalty in the form of higher premiums for some individuals. However, because you have “Creditable Coverage”, you may choose to enroll in a Medicare prescription drug plan without incurring a late enrollment penalty (higher premium) provided you do so within 63 days after your creditable coverage terminates.

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% per month for every month that you did not have that coverage. For example, if you go nineteen months without coverage, your premium will always be at least 19% 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 October to enroll.

However, if you lose creditable prescription drug coverage, through no fault of your own, you will be eligible for a two (2) month Special Enrollment Period (SEP) to join a Medicare drug plan.

If you drop your coverage with LG Health/Penn Medicine and enroll in a Medicare prescription drug plan, you may enroll back into the LG Select or LG Consumer Plan during the annual enrollment period. For this reason, 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, before ceasing your LG Select or LG Consumer Plan coverage.

If you decide to join a Medicare drug plan, your current LG Select or LG Consumer Health Plan coverage will not be affected. You and your dependents can enroll in a Part D plan as a supplement to, or in lieu of, the group health plan coverage. However, if your existing prescription drug coverage is under a Medigap policy, you cannot have an existing prescription drug coverage and Part D coverage. If you enroll in Part D coverage, you should inform your Medigap insurer of that fact, and the Medigap insurer must remove the prescription drug coverage from the Medigap policy and adjust the premium as of the date the Part D coverage starts. See pages 7- 9 of the CMS Disclosure of Creditable Coverage To Medicare Part D Eligible Individuals Guidance (available <https://www.cms.hhs.gov/CreditableCoverage/>), which outlines the prescription drug plan provisions/options that Medicare eligible individuals may have available to them when they become eligible for Medicare Part D.

If you have any questions regarding your creditable coverage, please contact the LG Health Human Resources Department at LGH-Benefits@pennmedicine.upenn.edu. 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, or if this coverage through LG Health/Penn Medicine changes. You also may request a copy of this notice at any time.

More detailed information about Medicare plans that offer prescription drug coverage is available in the “Medicare & You” handbook. If you or your dependent currently has Medicare you’ll get a copy of the handbook in the mail from Medicare. You may also be contacted directly by Medicare prescription drug plans. You can also get more information about Medicare prescription drug plans from these places:

- Visit www.medicare.gov for personalized help.
- Call your State Health Insurance Assistance Program (see your copy of the Medicare & You handbook for their telephone number)
- Call 1-800-MEDICARE (1-800-633-4227). TTY users should call 1-877-486-2048.

For people with limited income and resources, extra help paying for a Medicare prescription drug plan is available. Information about this extra help is available from the Social Security Administration (SSA). For more information about this extra help, visit SSA online at www.socialsecurity.gov, or call them at 1-800-772-1213 (TTY 1-800-325-0778).

Remember: Keep this notice. If you enroll in one of the new plans approved by Medicare which 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.