

Please read this notice carefully and keep it where you can find it. This notice contains information about your current prescription drug coverage through the Buffalo City School District (BCSD) and your options under Medicare's prescription drug coverage. This information can help you decide whether you want to enroll in a Medicare drug plan. If you are considering enrollment, you should compare your current coverage, including which drugs are covered and their costs, with the coverage and costs offered by Medicare prescription drug plans available in your area. Information about where you can obtain assistance with these decisions is included at the end of this notice.

Your **Highmark Blue Cross Blue Shield of Western New York** prescription drug coverage is considered **Creditable Coverage**. This means that the prescription drug coverage provided through Highmark Blue Cross Blue Shield of Western New York is expected to pay, on average, as much as standard Medicare Part D prescription drug coverage.

Important Information About Your Current Coverage and Medicare Prescription Drug Coverage

- Medicare prescription drug coverage became available in 2006 to everyone eligible for Medicare. You can obtain this coverage by enrolling in a Medicare Prescription Drug Plan or a Medicare Advantage Plan (such as an HMO or PPO) that offers prescription drug coverage. All Medicare drug plans provide at least a standard level of coverage established by Medicare. Some plans may offer enhanced coverage for a higher monthly premium.
- The Buffalo City School District has determined that the prescription drug coverage offered through Highmark Blue Cross Blue Shield of Western New York is, on average for all plan participants, expected to pay as much as standard Medicare prescription drug coverage and is therefore considered **Creditable Coverage**. Because your existing coverage is creditable, you may keep this coverage and not pay a higher premium (penalty) if you later decide to enroll in 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 during the Medicare Annual Enrollment Period each year from October 15 through December 7.

If you lose your current creditable prescription drug coverage through no fault of your own, you will also be eligible for a 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?

This Plan does not coordinate prescription drug benefits for individuals enrolled in a Medicare Part D plan. If you or your dependent enrolls in a Medicare Part D plan, prescription drug benefits available under this Plan will terminate. Such termination may also result in the loss of other health plan coverage. Please contact the Benefits Office before enrolling in a Medicare drug plan to understand the impact on your coverage.

When Will You Pay a Higher Premium (Penalty) to Join a Medicare Drug Plan?

You should also be aware that if you drop or lose your current coverage through BCSD and do not enroll in a Medicare drug plan within 63 continuous days after your current coverage ends, you may pay a higher premium (penalty) if you enroll in a Medicare drug plan at a later date.

If you go 63 continuous days or longer without creditable prescription drug coverage, your monthly premium may increase by at least 1% of the Medicare base beneficiary premium for every month that you did not have creditable coverage. For example, if you go 19 months without creditable coverage, your premium may be at least 19% higher than the Medicare base beneficiary premium. You may be required to pay this higher premium for as long as you have Medicare prescription drug coverage. In addition, you may have to wait until the next Medicare enrollment period to join a plan.

For More Information About Your Options Under Medicare Prescription Drug Coverage

- Visit www.medicare.gov
- Contact your State Health Insurance Assistance Program (SHIP) for personalized assistance.
- Call **1-800-MEDICARE (1-800-633-4227)**. TTY users should call **1-877-486-2048**.

If you have limited income and resources, additional assistance with Medicare prescription drug costs may be available. For more information, visit www.ssa.gov or call **1-800-772-1213 (TTY 1-800-325-0778)**.

REMEMBER: Keep this Creditable Coverage Notice. If you decide to enroll in a Medicare drug plan, you may be required to provide a copy of this notice to demonstrate that you maintained creditable coverage and to determine whether a late enrollment penalty applies.