



November 15, 2010

RE: Medicare D (Medicare Prescription Drug Plan)

To Oakland County Retirees on Medicare:

Oakland County is required to annually provide all Medicare-eligible members with the following "**Notice of Creditable Coverage**." This notice has information about your current prescription drug coverage with Oakland County and the prescription drug coverage made available after January 1, 2006 through Medicare Part D for people with Medicare.

Since your existing prescription drug coverage through Oakland County exceeds the standard Medicare prescription drug coverage, **WE RECOMMEND THAT YOU DO NOT APPLY FOR ANY MEDICARE PART D PRESCRIPTION DRUG PLANS IF YOU HAVE MEDICAL COVERAGE THROUGH OAKLAND COUNTY, OR YOU MAY LOSE YOUR OAKLAND COUNTY PRESCRIPTION DRUG COVERAGE.**

Your current coverage through Oakland County pays for health expenses, in addition to prescription drugs, and you will no longer be eligible to receive all of your prescription drug benefits if you choose to enroll in a Medicare prescription drug plan. **Therefore, if you enroll in a Medicare prescription drug plan, be aware that you may not be able to get your Oakland County coverage back later.**

You should also know that if you drop or lose your coverage with Oakland County and don't enroll in Medicare prescription drug coverage after your current coverage ends, you may pay more to enroll in Medicare prescription drug coverage later. If after May 15, 2006, you go 63 days or longer without prescription drug coverage that is at least as good as Medicare's prescription drug coverage, your monthly premium will go up at least 1% per month for every month after May 15, 2006 that you did not have that coverage.

The enclosed "**Notice of Creditable Coverage**" should answer many of your questions. If you have additional questions concerning your Oakland County prescription drug coverage, please contact the HR Retirement Unit at retirement@oakgov.com or call 248-858-7592 for assistance.

Sincerely,

A handwritten signature in cursive script that reads "Judy Fandale".

Judy Fandale, Retirement Administrator

NOTICE OF CREDITABLE COVERAGE

Important Notice from Oakland County 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 current prescription drug coverage with Oakland County 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. Oakland County has determined that the prescription drug coverage offered by Oakland County is, 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 November 15th through December 31st.

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 Oakland County Coverage If You Decide to Join A Medicare Drug Plan?

If you decide to join a Medicare drug plan, your current Oakland County coverage will be affected. Your current coverage through Oakland County pays for health expenses, in addition to prescription drugs, and you will no longer be eligible to receive all of your prescription drug benefits if you choose to enroll in a Medicare prescription drug plan. Therefore, if you enroll in a Medicare prescription drug plan, be aware that you may not be able to get your Oakland County coverage back later.

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 Oakland County 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 the person listed below for further information. **NOTE:** You'll get this notice each year. You will also get it before the next period you can join a Medicare drug plan, and if this coverage through Oakland County 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 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).

Date: November 15, 2010
Name of Entity/Sender: Oakland County
Contact—Position/Office: HR Retirement Unit
Address: 2100 Pontiac Lake Rd, Waterford, MI 48328
Phone Number: 248-858-7592
Email: retirement@oakgov.com