

# State of Colorado



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## DPA

Department of Personnel  
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November 1, 2007

Dear Participant and/or Family Member:

### **Important Notice from the State of Colorado about your prescription drug coverage and Medicare, IF you qualify for Medicare at this time or in the coming year.**

This is your required annual notice regarding the creditability of coverage provided by the State should you enroll in the Medicare Part D prescription plan during the Medicare Part-D Open Enrollment period or any time within the next year.

Please read this notice carefully and keep it where you can find it. This notice has information about your current prescription drug coverage with the State of Colorado health plans and about your options under Medicare's prescription drug coverage, if you qualify for Medicare at this time or in the coming year. This information can help you decide whether or not you want to join a Medicare drug plan, if you are eligible. Information about where you can get help to make decisions about your prescription drug coverage is at the end of this notice.

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. **The State of Colorado has determined that the prescription drug coverage offered by the Great-West Healthcare Plan PPO-H is, on average for all plan participants, NOT expected to pay out as much as standard Medicare prescription drug coverage pays and is considered Non-Creditable Coverage. This is important as most likely, you will get more help with your drug costs if you join a Medicare drug plan than if you only have prescription drug coverage from the Great- West Healthcare PPO-H.**
3. You have decisions to make about Medicare prescription drug coverage that may affect how much you pay for that coverage, depending on if and when you join. Read this notice carefully - it explains your options.

**Consider joining a Medicare drug plan, if you are eligible. You can keep your coverage with Great-West Healthcare PPO-H. You can keep the coverage regardless of whether it is as good as Medicare drug plan. However, because your existing coverage is, on average, NOT at least as good as standard Medicare prescription drug coverage, you may pay a higher premium (a penalty) if you later decide to join a Medicare drug plan.**

You can join a Medicare drug plan when you first become eligible for Medicare and each year from November 15<sup>th</sup> through December 31<sup>st</sup>. This may mean that you may have to wait to join a Medicare drug plan and that you may pay a higher premium (a penalty) if you join later. You may pay that higher premium (a penalty) as long as you have Medicare prescription drug coverage. However, if you lose or decide to leave employer/union sponsored coverage, you will be eligible to join a Part D plan at that time using an Employer Group Special Enrollment Period.

**You need to make a decision...**

When you make your decision, 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.

**If you decide to join a Medicare drug plan, your State of Colorado coverage will not be affected.**

You should also know that if you drop or lose your coverage with the State of Colorado 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 prescription drug coverage that is at least as good as Medicare's prescription drug coverage, your monthly premium may go up by at least 1% of the base beneficiary premium per month for every month that you did not have that coverage. For example, if you go nineteen months without coverage, your premium may consistently be at least 19% higher than the base beneficiary premium. You may have to pay this higher premium (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 State of Colorado, Department of Personnel & Administration, Division of Human Resources, Employee Benefits Unit at 303-866-3434 or 1-800-719-3434 for further information.

**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 the State of Colorado changes. You also may request a copy.

**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 will 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](http://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](http://www.socialsecurity.gov)**, or call them at 1-800-772-1213 (TTY 1-800-325-0778).

Date:	November 1, 2007
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Contact--Position/Office:	Employee Benefits Unit
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