



October 6, 2017

ATTN: HUMAN RESOURCES  
MID-WEST NEW MEXICO COMMUNITY ACTION PROGRAM  
549 DON PASQUAL RD NW  
LOS LUNAS NM 87031-8491



Dear Group Benefit Plan Administrator,

As you may know, the Centers for Medicare & Medicaid Services (CMS) has creditable coverage disclosure requirements that apply to most group health plan sponsors who provide prescription drug coverage to persons eligible for Part D, Medicare's prescription drug benefit. **Your current New Mexico Health Connections (NMHC) plan meets the creditable coverage criteria.**

Plan sponsors are required to:

1. Provide a written disclosure notice to all Medicare-eligible individuals annually who are covered under its prescription drug plan, prior to October 15 of each year and at various times as stated in the regulations; and
2. Complete the Online Disclosure to CMS form to report the creditable coverage status of their prescription drug plan.

Enclosed with this letter is a completed disclosure notice, disclosure notice #1, above, which you may provide to all Medicare-eligible individuals covered through NMHC. **Please ensure that the notice is posted and provided to all affected employees no later than October 15 of the current plan year, or as required by law.**

You may use the link below to take you to the CMS website for information about how to report (disclose) the creditable coverage status of your NMHC plan to CMS.

<https://www.cms.gov/Medicare/Prescription-Drug-Coverage/CreditableCoverage/index.html>

**Please be advised that the information provided should not replace consultation with your legal counsel.**

If you have any questions about creditable coverage reporting requirements or are applying for the retiree drug subsidy, please contact New Mexico Health Connections:

- Michelle Chase: michelle.chase@mynmhc.org, (505) 900-3452

Thank you for choosing New Mexico Health Connections for your group's health coverage needs.

Sincerely,

New Mexico Health Connections

ID0183-1017

ph. 505.633.8020 | 2440 Louisiana Blvd. NE, Suite 601  
web. myNMHC.org | Albuquerque, New Mexico 87110

**Language Access Services:**

TTY: 711.

**Español:** Atención: si habla español, tiene a su disposición servicios gratuitos de asistencia lingüística. Llame al 1-855-769-6642 (TTY: 711).

## Important Notice from New Mexico Health Connections 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 New Mexico Health Connections (NMHC) 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. New Mexico Health Connections has determined that the prescription drug coverage offered on the Care Connect \$2,500 HMO is, on average for all plan participants, expected to pay out as much as standard Medicare prescription drug coverage pays and therefore is 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 15 to December 7.

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 NMHC coverage will not be affected. You can keep your NMHC coverage if you elect part D, and your NMHC plan will coordinate with Part D coverage. See pages 7-9 of the CMS Disclosure of Creditable Coverage to Medicare Part D Eligible Individuals Guidance (available at [www.cms.gov/Medicare/Prescription-Drug-Coverage/CreditableCoverage/Downloads/Updated\\_Guidance\\_02\\_15\\_07.pdf](http://www.cms.gov/Medicare/Prescription-Drug-Coverage/CreditableCoverage/Downloads/Updated_Guidance_02_15_07.pdf)), 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 do decide to join a Medicare drug plan and drop your current NMHC coverage, be aware that you and any Medicare-eligible dependents will be able to obtain coverage with NMHC in the future, **but only if coverage is provided through an employer (NMHC group plan), not under a NMHC individual plan.**

**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 NMHC 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 19 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 October to join.

**For More Information about This Notice or Your Current Prescription Drug Coverage ...**

Contact one of the persons 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 NMHC 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](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).

**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: October 7, 2017

Name of Entity/Sender: New Mexico Health Connections

Contacts—Position/Office:

Michelle Chase: [michelle.chase@mynmhc.org](mailto:michelle.chase@mynmhc.org), (505) 900-3452

Address: 2440 Louisiana Blvd. NE, Suite 601, Albuquerque, NM 87110

CMS Form 10182-CC

Updated April 1, 2011

According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0938-0990. The time required to complete this information collection is estimated to average 8 hours per response initially, including the time to review instructions, search existing data resources, gather the data needed, and complete and review the information collection. If you have comments concerning the accuracy of the time estimate(s) or suggestions for improving this form, please write to: CMS, 7500 Security Boulevard, Attn: PRA Reports Clearance Officer, Mail Stop C4-26-05, Baltimore, Maryland 21244-1850.