State of California—Health and Human Services Agency
Department of Health Care Services

TOBY DOUGLAS
DIRECTOR

EDMUND G. BROWN JR.
GOVERNOR

November 4, 2011

TO: CALIFORNIA CHILDREN'S SERVICES (CCS) PROGRAM CLIENTS

Important Notice from CCS Program
About Your Prescription Drug Coverage and Medicare

YOU MAY DISREGARD THIS LETTER IF YOU DO NOT QUALIFY FOR MEDICARE DURING THE 2012 CALENDAR 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 California Children's Services (CCS) Program 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. California Children's Services Program has determined that its prescription drug coverage 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 October 15th through December 7th. 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 CCS coverage will be affected.

If you do decide to enroll in a Medicare prescription drug plan, be aware that this will be your principal source of drug coverage. CCS will not provide wrap-around drug coverage. This means that CCS will not be supplementing the drug coverage of the Part D drug plan that you chose. However, CCS will provide coverage for drugs specifically excluded in the Medicare drug plans.

At this time, enrollment into a Medicare drug plan is not required by CCS. You will retain your current CCS drug coverage if you choose not to enroll in a Medicare Part D drug plan. However, if you do choose to enroll into a Medicare drug plan, you will lose your CCS drug coverage except for those drugs that are specifically excluded in the Part D drug plans.

If you currently are designated a Medicare-Medi-Cal (Medi-Medi) recipient, enrollment into a Medicare drug plan is mandatory and you will receive a notice from Medicare that you have been auto-enrolled into one of the participating prescription drug plans. If you have been auto-enrolled, CCS will only pay for drugs that are specifically excluded from Part D drug plans.

Your current CCS coverage pays for other health expenses, in addition to prescription drugs, and you will still be eligible to receive all of your current other health benefits if you choose to enroll in a Medicare prescription drug 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 CCS 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 percent 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 percent 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 your county CCS program. **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 CCS 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).

Sincerely,

Louis R. Rico, Chief
Systems of Care Division