

## **Important Notice from Homeowners Financial Group USA, LLC 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 under the Homeowners Financial Group USA, LLC Sponsored Health Plan 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.** **Homeowners Financial Group USA, LLC** has determined that the prescription drug coverage offered 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.

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### **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<sup>th</sup> through December 7<sup>th</sup>**.

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 while you are covered under the **Homeowners Financial Group USA, LLC** Sponsored Health Plan, your **Homeowners Financial Group USA, LLC** Sponsored Health Plan may be affected. Your employer sponsored coverage cannot be cancelled due to your Medicare enrollment (See the COBRA Note below.). Medicare and your employer sponsored coverage will coordinate benefits so that you will not receive duplicate benefits.

The Medicare, Who Pays First handbook available from your Medicare representative or on line <https://www.medicare.gov/sites/default/files/2021-10/02179-Medicare-and-other-health-benefits-your-guide-to-who-pays-first.pdf>, has detail on how Medicare coordinates benefits.

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Typically, your employer sponsored coverage will pay its benefits without regard to payments that may be made by Medicare. In these cases, your employer sponsored coverage is considered 'primary' and Medicare is 'secondary' coverage. Medicare will only pay after the primary employer sponsored coverage has paid its benefits. Your Medicare coverage will have no effect on your employer sponsored coverage cost sharing such as copayments, deductibles, exclusions or other plan limits.

HOWEVER, there are three instances where Medicare is primary and your employer sponsored coverage is secondary. In these cases Medicare will pay its benefits without regard to payments that may be made under the employer sponsored coverage. The employer sponsored coverage will coordinate benefits so that it does not duplicate benefits paid by Medicare. This will reduce the benefits paid by your employer sponsored coverage. These three instances are when:

- your employer employs less than 20 employees
- your coverage is from a former employer, a retiree plan or COBRA coverage
- you are disabled and the employer sponsored coverage is due to another person working for the employer (examples when allowed – the coverage is under your spouse, your domestic partner, your dependent or grandchild), and the employer has less than 100 employees. When the employer has 100 or more employees then Medicare is secondary.

#### Notes:

1. If you have end stage renal disease then the employer sponsored coverage is primary for the first 30 months and Medicare is primary after that 30 month period has expired.)
2. If you are enrolled in Medicare prior to electing COBRA, then your Medicare enrollment cannot be used to limit or deny COBRA. If you enroll in Medicare after you elect COBRA then the Medicare enrollment is a terminating event for your COBRA coverage.

If you do decide to join a Medicare drug plan and drop your current **Homeowners Financial Group USA, LLC** Sponsored Health Plan, be aware that you and your dependents will have to wait for the next Open Enrollment period, if any are offered by your Employer, or HIPAA Special Enrollment Right be able to get this coverage back.

#### **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 **Homeowners Financial Group USA, LLC** 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 October to join.

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## **For More Information About This Notice Or Your Current Prescription Drug Coverage**

Contact the person listed below at the bottom of this Notice for further information or to receive the contact information for someone at the insurance company, third party administrator or service provider who administers the prescription drug program for the **Homeowners Financial Group USA, LLC** Sponsored Health Plan.

**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 **Homeowners Financial Group USA, LLC** 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 10, 2023  
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