

Certificate of Creditable Coverage Instructions

A sample Certificate of Creditable Coverage for PHP's prescription drug plan is attached. HIPAA requires group health plans and health insurance issuers to furnish certificates of creditable coverage to individuals who lose coverage under a group health plan. You can use this template to personalize your company's own Certificate of Coverage. To personalize the Certificate, simply replace the " _____ " blanks located throughout the document:

1. The first is in the title after "Important Notice From". Enter your company's name.
2. The second is in the second sentence on the first page, following the words "This notice has information about your current prescription drug coverage with". Enter your company's name.
3. The third is after the #2 on the first page. Enter your company's name.
4. The fourth section is on the second page at the bottom. You'll need to enter the date the certificate was issued, the Name of Entity/Sender: (enter your company's name), the names of the individuals covered, and the dates they were covered.

You can further personalize your Certificate by including a contract name and phone number on the second page so that your employees can contact someone at your company regarding prescription drug coverage.

The Certificate is also available electronically on our website at www.phpmm.org or by e-mailing connie.scarpone@phpmm.org.

Important Notice From

(Name of Company)
About Your Prescription Drug Coverage and Medicare

Certificate of Creditable Coverage for Medicare Part D KEEP THIS NOTICE – DO NOT DISCARD

Please read this notice carefully and keep it where you can find it. This notice has information about your current prescription drug coverage with _____ (Name of Company) and prescription drug coverage for people with Medicare. **Read this notice carefully. It explains the options you have under Medicare prescription drug coverage, and can help you decide if you want to enroll.** 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 Part D Prescription Drug Plan (Medicare PDP) 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. _____ (Name of Company), has determined that the prescription drug coverage offered by Physicians Health Plan of Mid-Michigan is, on average for all plan participants, expected to pay as much as the standard Medicare prescription drug coverage and is therefore considered Creditable Coverage, provided that PHP is the primary payer and Medicare is the secondary payer, or if coordination of benefits (COB) is assumed. Under COB, the plan pays all amounts not covered by Medicare up to the amount that would be paid in the absence of Medicare. 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.

People with Medicare can enroll in a Medicare PDP when they first become eligible and each year from November 15th through December 31st. However, because your existing prescription drug coverage through PHP has been determined to be "Creditable Coverage", while you can choose to join a Medicare PDP, you are not required to.

If you lose your prescription drug coverage through PHP, through no fault of your own, you will be eligible for a sixty (60) day Special Enrollment Period (SEP) because you lost creditable coverage to join a Part D plan. In addition, if you lose or decide to leave employer sponsored coverage; you will be eligible to join a Part D plan at that time using an Employer Group Special Enrollment Period. 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.

You should know that if you drop or lose your coverage through your employer 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 are Medicare eligible and go without creditable prescription drug coverage for 63 consecutive days or longer, your monthly Medicare PDP 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 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. This notice may be sent to you at various points in the future, such as prior to the next Medicare prescription drug coverage enrollment period or whenever coverage changes. You may also request a copy of this notice from your employer at any time.

For more information about your current prescription drug coverage

Contact:

_____ (your name)

_____ (your phone number)

Or the Physicians Health Plan Customer Service Department at 517-364-8500.

For more information about your options under Medicare prescription drug coverage

Information is available in the “Medicare & You” handbook you receive in the mail every year from Medicare. While you may also be contacted directly by Medicare PDP providers, you can get more information about Medicare prescription drug coverage from the following sources:

- www.medicare.gov
- Call your State Health Insurance Assistance Program (SHIP) for personalized help (see the “Medicare & You” handbook for their telephone number)
- Call 1-800-MEDICARE (1-800-633-4227). TTY users should call 1-877-486-2048

For people with limited income and resources, extra help paying for a Medicare prescription drug plan is available. Information about this extra help is available from the Social Security Administration (SSA). Visit SSA online at www.socialsecurity.gov, or call 1-800-772-1213 (TTY 1-800-325-0778).

Remember to keep this Creditable Coverage notice.

If you decide to join one of the Medicare prescription drug plans approved by Medicare, you may need to provide a copy of this notice to show whether or not you have maintained creditable coverage and, therefore, are not required to pay a higher premium (penalty).

Date this Certificate Issued: _____

Name of Entity/Sender: _____ (Name of Company)

Name of Covered Individual(s) _____

Beginning and Ending Dates of Coverage _____