



**North Dakota
Public Employees Retirement System**
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Important Notice From the North Dakota Public Employees Retirement System (NDPERS) About Your Prescription Drug Coverage and Medicare

Please read this notice carefully before making a decision about your prescription drug coverage.

This notice may or may not apply to you. It has important information about your current prescription drug coverage with NDPERS and about your options under Medicare's prescription drug coverage. This information can help you decide whether or not you want to join another 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 private 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 prescription drug coverage through the NDPERS Dakota Retiree Plan and other available Medicare D prescription drug coverage.

1. Medicare D prescription drug coverage became available in 2006 to everyone with Medicare. You can get this coverage if you join a Medicare Prescription Drug Plan (PDP), a Medicare Advantage Plan (like an HMO or PPO), or a Medigap plan. 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. NDPERS has determined that the prescription drug coverage offered through the Dakota Retiree Plan 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 the NDPERS coverage is Creditable Coverage, you will not pay a higher premium (a penalty) if you later decide to join another 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 or each year from November 15th through December 31st. 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 enroll in another Medicare prescription drug plan?

If you decide to join a Medicare drug plan, your current NDPERS Dakota Retiree Plan coverage will be affected. The Dakota Retiree Plan provides both medical and prescription drug coverage to eligible members entitled to Medicare. However, Medicare prescription drug coverage is also available through private companies. As you think about whether you want to enroll with one of these prescription plans, a Medicare Advantage plan or a Medigap policy, you need to consider the following:

- It has been determined that the Medicare prescription drug plan provided by NDPERS is on average at least as good as the standard Medicare prescription drug coverage. Therefore, you can keep the NDPERS coverage and not pay extra if you later decide to enroll in other Medicare D coverage.
- According to the Centers for Medicare and Medicaid Services (CMS) regulations, you cannot be enrolled in two prescription drug plans. Therefore, if you choose to enroll in another Medicare D prescription drug plan, a Medicare Advantage plan or a Medigap policy, your coverage through the Dakota Retiree Plan will be canceled. Because the NDPERS plan provides medical coverage in addition to prescription drug coverage, your NDPERS medical coverage will also be cancelled. Be aware that you may not have an opportunity to get the NDPERS coverage back.
- To be eligible for coverage through the Dakota Retiree Plan, you must be enrolled for both Medicare A & B coverage. If you drop your Medicare A & B coverage to enroll in a Medicare Part C plan, you will no longer meet the NDPERS requirements and your retiree medical and prescription drug coverage will be cancelled. Be aware that you may not have an opportunity to get the NDPERS coverage back.

What happens if your NDPERS coverage is cancelled?

If your NDPERS coverage is cancelled because you enrolled in another Medicare prescription drug plan, you will only be allowed to re-enroll if you apply for coverage within 31 days from any one of the following “qualifying events”:

1. Date of retirement, defined as either:
 - The last day of active employment if member does not defer his/her retirement benefit or take a lump-sum refund of his/her retirement account, or
 - Date of first retirement check if member deferred his/her retirement benefit.
2. Member’s 65th birthday or eligibility for Medicare;
3. Member’s spouse or eligible dependent’s 65th birthday or eligibility for Medicare;
4. The loss of coverage in a health plan sponsored or provided by member’s employer or member’s spouse’s employer, if covered through spouse’s employer group plan. This includes loss of coverage due to the death of, or divorce from a spouse as well as completion of COBRA continuation coverage.
5. Marriage
6. Birth, adoption, or appointment of children for legal guardianship.

When will you pay a higher premium (penalty) to join a Medicare drug plan?

If you drop or lose your current coverage with NDPERS 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 November to join.

For more information about this notice or your current prescription drug coverage...

- Contact the NDPERS office at 701-328-3918 or 800-803-7377.
- This notice is available on the NDPERS web site home page at www.nd.gov/ndpers.
- You may request a copy of this notice at any time.

For more information about Medicare prescription drug coverage:

- Visit www.medicare.gov for personalized help,
- Call Senior Health Insurance Counseling (SHIC), a program of the North Dakota Insurance Department, at 1-800-247-0560, or
- Call 1-800-MEDICARE (1-800-663-4227). 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 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).

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Name of Entity: North Dakota Public Employees Retirement System

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