



TOWN OF NEEDHAM

MEMORANDUM

TO: Subscribers of the Town of Needham's Group Health Insurance
FROM: Human Resources Department, Town of Needham
DATE: October 11, 2019
RE: Medicare Part D Creditable Coverage Notice

The Medicare Modernization Act of 2003 requires all employers that offer prescription drug coverage to notify covered employees and retirees who are Medicare eligible, or who may be Medicare eligible, as to the value of the current prescription drug benefit compared to that of the optional Medicare Part D drug benefit that went into effect on January 1, 2006. This is to inform you that **all of the health plans offered by the Town of Needham have prescription drug benefits that are at least as good as the standard Medicare Part D prescription drug benefit, and these plans are considered to be "creditable coverage"**. This statement is based on reviews performed by qualified actuaries of the prescription drug benefits and spending by the employer on each health plan compared to what Medicare would pay. Therefore, **if you plan to continue to be covered under a health plan offered by the Town of Needham, you do not need to purchase Medicare Part D***. If in the future you should want to purchase Part D for whatever reason, because you have been covered by a plan that has benefits as good as or better than Part D benefits, you would not be charged the Part D late enrollment premium penalty.

If you have any questions about this, please contact our office at 781-455-7500 x235

* There is a possibility that Medicare eligible retirees who meet the Medicare Part D low-income guidelines and who qualify for a government subsidy could do better under Part D than under the current Rx benefits offered through the Town of Needham. Individuals who think they might qualify for the Medicare Part D low-income subsidy should seek assistance from their local social security office. If you buy Part D, please inform us as soon as possible.