



WASHINGTON ALLIANCE FOR HEALTHCARE INSURANCE TRUST

Administered by Benefit Solutions, Inc.

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November 12, 2009

To: Washington Alliance for Healthcare Insurance Trust Employers

Re: Notice of Medicare Part D Creditable Coverage

Starting January 1, 2006 Medicare began offering insurance coverage to its beneficiaries for prescription drugs. This is referred to as Medicare Part D coverage.

Medicare beneficiaries receiving prescription drug coverage through an employer-sponsored plan are able to choose whether or not to enroll for Part D coverage during the upcoming open enrollment period from November 15 to December 31, 2009. When a Medicare beneficiary is considering Part D coverage, it is important they understand if their current employer-sponsored prescription drug coverage is considered creditable coverage.

Premera Blue Cross and LifeWise Health Plan of Washington have determined that the prescription drug coverage plan offered through your health plan **does** meet the requirements to be considered creditable coverage.

Premera and LifeWise have sent the enclosed copy of the Medicare Part D **Creditable** coverage notice to your plan members, (a) who are or will be sixty-five (65) years old or older as of December 31, 2010; or (b) who Premera and LifeWise believe are eligible for Medicare based on information from you or the individual.

You must provide a copy of this notice to new employees hired from now through December 31, 2010 who are eligible for Medicare or who have dependents eligible for Medicare. The CMS website www.cms.hhs.gov can provide you and your employees with detailed information about the Medicare prescription drug program.

CMS also requires employers to file an annual online Creditable Coverage Disclosure to confirm whether the coverage is "creditable prescription drug coverage". You may complete your filing by going to the CMS website www.cms.hhs.gov/creditablecoverage.

If you have questions, please contact BSI Customer Service at (206) 859-2600.

**Administrative Office
Benefit Solutions, Inc.**

WAHIT NOVEMBER 2009 PRESCRIPTION DRUG CREDITABLE COVERAGE NOTICE

Important Notice from Washington Alliance for Healthcare Insurance Trust About Your Prescription Drug Coverage and Medicare

Please read this notice carefully and keep it for reference. This notice has information about your current prescription drug coverage through Washington Alliance for Healthcare Insurance Trust (WAHIT) and about your options under Medicare's prescription drug coverage. If you are a Medicare beneficiary 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 is available 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. Premera Blue Cross & LifeWise Health Plan of Washington have determined that the prescription drug coverage offered by your plan through WAHIT 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 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 Decide to Join A Medicare Drug Plan?

If you decide to join a Medicare drug plan, your current coverage through the WAHIT **will not** be affected.

If you do decide to join a Medicare drug plan and drop your current coverage through WAHIT, be aware that you and your dependents will not be able to get this coverage back until the next open enrollment.

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 through WAHIT 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.

CMS Form 10182-CC Updated January 1, 2009

According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0938-0990. The time required to complete this information collection is estimated to average 8 hours per response initially, including the time to review instructions, search existing data resources, gather the data needed, and complete and review the information collection. If you have comments concerning the accuracy of the time estimate(s) or suggestions for improving this form, please write to: CMS, 7500 Security Boulevard, Attn: PRA Reports Clearance Officer, Mail Stop C4-26-05, Baltimore, Maryland 21244-1850.

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 person listed below for further information or call your group's employee benefits broker. **NOTE:** You will receive 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 Premera Blue Cross and LifeWise Health Plan of Washington 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).

Date: _____
Name of Entity/Sender: Washington Alliance for Healthcare Insurance Trust
Contact--Position/Office: _____
Address: _____
Phone Number: _____

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