



January 23, 2015

NTS Development Company
Attn: Sharon Lin
600 N Hurstbourne Pkwy Ste 300
Louisville, KY 40222-5388

Group Effective: February 1, 2015
PPOHSA Embedded Plan

IMPORTANT NOTICE

Please carefully read this important notice from Anthem Blue Cross and Blue Shield about your prescription drug coverage and Medicare. This notice contains information about your current prescription drug coverage with Anthem and prescription drug coverage available for people with Medicare. It also provides information regarding your notification obligations with respect to the Centers for Medicare and Medicaid Services (CMS) and all Medicare-eligible members who have prescription drug coverage under your group plan with Anthem.

Dear Benefit Administrator:

Anthem has reviewed your current prescription drug benefits for your Medicare-eligible beneficiaries and determined that according to Medicare Part D guidelines your current coverage is **non-creditable**. This means that the prescription drug coverage offered under your plan is, on average for all plan participants, **NOT** expected to pay out as much as the standard Medicare prescription drug coverage will pay.

Because your prescription drug coverage is non-creditable, Anthem encourages Medicare-eligible members of your group to enroll in Medicare Part D. Failure to enroll in Part D within 63 days of not having creditable coverage can result in a premium penalty of 1% per month should they join at a later date.

Notice Required for CMS

The Medicare Prescription Drug, Improvement, and Modernization Act (MMA) of 2003 requires entities that provide prescription drug coverage to Medicare Part D eligible individuals to disclose to CMS whether the coverage is creditable or non-creditable. CMS has issued guidance on the form, manner and timing of providing the Disclosure Notice to CMS. This Disclosure to CMS guidance is posted on the Creditable Coverage web page at <http://www.cms.hhs.gov/CreditableCoverage/>.

An entity is required to provide the Disclosure Notice through completion of the Disclosure Notice form on the CMS Creditable Coverage Disclosure web page unless specifically exempt as outlined in the Disclosure to CMS guidance. The Disclosure Notice form can be found on the CMS web site at <http://www.cms.hhs.gov/apps/ccdisclosure/default.asp>.

Additional information about creditable coverage is available on CMS' Creditable Coverage web page at <http://www.cms.hhs.gov/CreditableCoverage/>.

Notice Required for Medicare-Eligible Members

As a Plan Sponsor, you have an obligation under the MMA of 2003 to notify all Medicare-eligible members of your group of the non-creditable nature of their prescription drug coverage available to them under the plan of benefits. Members requiring notification include Medicare-eligible active employees, retirees, dependents, individuals eligible for Medicare due to disability, and individuals eligible for Medicare due to End Stage Renal Disease.

You must provide notices to the Medicare-eligible members of your group on the following occasions:

- Prior to (within the past 12 months) the person's Initial Enrollment Period (IEP) for Part D
- Prior to (within the past 12 months) the Annual Coordinated Election Period (ACEP) each year, which begins Oct. 15.
- Prior to (within the past 12 months) the effective date of the person's enrollment in the plan
- At the time of any change that would affect whether the prescription plan coverage is creditable or non-creditable
- Upon request from the beneficiary

Model beneficiary **non-creditable** coverage disclosure notice language is available on CMS' Creditable Coverage web page at <http://www.cms.hhs.gov/CreditableCoverage/>.

How Your Medicare-Eligible Employees Will Be Affected

Even though your coverage has been determined to be non-creditable, your group plan will continue to provide prescription drug coverage for your Medicare-eligible employees, retirees and their Medicare-eligible dependents. Based on Medicare Secondary Payer rules, in some circumstances your group plan will be primary over Medicare, in others Medicare will be the primary carrier and your group plan will provide secondary benefits.

If you are considering upgrading your coverage to a creditable level, other options for covering your Medicare-eligible members may be available to you. Please contact your Anthem representative or broker for additional information.

If you have questions or need additional information, you may also contact your Anthem representative, broker or consultant.

Sincerely,

Anthem Blue Cross and Blue Shield