

NOTICE about your 2025 Prescription Drug Coverage and Medicare

Important Notice from the Kentucky Employees' Health Plan About Your Prescription Drug Coverage and Medicare

Please read this notice carefully and keep it where you can find it. This notice has information about your current prescription drug coverage with the Kentucky Employees' Health Plan (KEHP) and about your options under Medicare's prescription drug coverage. 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 became available in 2006 to 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. KEHP has determined that the prescription drug coverage offered by KEHP 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.
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Questions and Answers About Your Prescription Drug Coverage and Medicare

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 October 15th to December 7th.

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 KEHP coverage will not be affected. Below are the KEHP prescription drug coverage plan provisions/options under the various KEHP plans.

Plan Options	LivingWell CDHP		LivingWell PPO	
	In-Network	Out-of Network	In-Network	Out-of Network
Lifetime Maximum	Unlimited	Unlimited	Unlimited	Unlimited
Health Reimbursement Arrangement (HRA)	Single \$500; Family \$1,000		Not Applicable	
Annual Deductible	\$1,500/\$2,750 (Single/Family)*	\$2,750/\$5,250 (Single/Family)*	\$1,000/\$1,750 (Single/Family)**	\$1,750/\$3,250 (Single/Family)**
Annual Rx Out-of-Pocket Maximum	\$3,000/\$5,750 (Single/Family)*	\$5,750/\$11,250 (Single/Family)*	\$3,000/\$5,750 (Single/Family)	\$5,750/\$11,250 (Single/Family)
30-Day Supply				
Tier 1 – Generic	Deductible then	Deductible then	\$20	\$40
Tier 2 – Formulary	20%	50%	\$40	\$80
90-Day Supply (Retail or Mail Order)				
Tier 1 – Generic	Deductible then	Not Covered	\$40	Not Covered
Tier 2 – Formulary	20%		\$80	

* Applies to Medical and Pharmacy benefits

** Applies to Medical benefits only

Plan Options	LivingWell Basic CDHP		LivingWell HDHP	
	In-Network	Out-of Network	In-Network	Out-of Network
Lifetime Maximum	Unlimited	Unlimited	Unlimited	Unlimited
Health Reimbursement Arrangement (HRA)	Single \$250; Family \$500		No HRA. Can use a non-KEHP HSA.	
Annual Deductible	\$2,000/\$3,750 (Single/Family)*	\$3,250/\$6,250 (Single/Family)*	\$2,000/\$4,000 (Single/Family)**	\$4,000/\$8,000 (Single/Family)**
Annual Rx Out-of-Pocket Maximum	\$4,000/\$7,750 (Single/Family)*	\$7,750/\$11,250 (Single/Family)*	\$8,050/\$16,100 (Single/Family)*	\$16,100/\$32,200 (Single/Family)*
30-Day Supply Tier 1 – Generic Tier 2 – Formulary	Deductible then 30%	Deductible then 50%	Deductible then 30%	Deductible then 50%
90-Day Supply (Retail or Mail Order) Tier 1 – Generic Tier 2 – Formulary	Deductible then 30%	Not Covered	Deductible then 30%	Not Covered

* Applies to Medical and Pharmacy benefits

+ The HDHP has a non-embedded deductible which means all family members share a deductible and out-of-pocket maximum, regardless of the number of family members.

Notes:

- Copays do not accumulate toward the deductible, but they do accumulate toward the applicable out-of pocket maximum.
- For the LivingWell CDHP and the LivingWell Basic CDHP, all covered expenses apply to the out-of-pocket maximum, except routine well child and routine well adult care.
- For the LivingWell PPO, the out-of-pocket maximum accumulates separately and independently for medical and prescription drug benefits.
- Certain drugs to treat diabetes, COPD, asthma, and hypertension are subject to reduced co-pays and co-insurance with no deductibles. A 90-day supply of maintenance drugs is subject to lower co-pays and co-insurance.
- Select preventive therapy drugs bypass the deductibles associated with the CDHPs. This does not apply to the HDHPs.
- The HDHP has a non-embedded deductible which means all family members share a deductible and out-of-pocket maximum, regardless of the number of family members. The entire deductible must be met before any one family member receives benefits. The entire out-of-pocket maximum must be met before the family has satisfied the OOP maximum.

If you decide to join a Medicare drug plan and drop your current KEHP coverage, be aware that you and your dependents may not be able to get this coverage back.

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 with KEHP 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 October to join.

For More Information About This Notice Or Your Current Prescription Drug Coverage...

Contact KEHP at the number listed below for further information. **NOTE:** You'll get 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 KEHP changes. This notice is available at kehp.ky.gov under Resources/Docs, Forms and Legal Notices. 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: January 9, 2025
Name of Entity/Sender: Kentucky Employees' Health Plan
Contact—Position/Office: Personnel Cabinet, Department of Employee Insurance
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