

GHI Broker eNewsFlash

GHI Informs Customers about "Creditable" Prescription Drug Coverage and Medicare Part D

November 2, 2005

To comply with "Creditable Coverage" notification requirements associated with the Medicare Modernization Act of 2003, GHI is sending a letter to our group administrators and Direct Payment customers explaining how their current GHI drug coverage may affect enrollment in the new Medicare Part D Prescription Drug Program.

- **Creditable coverage.** If a Medicare-eligible member's current GHI drug coverage is as generous as Medicare Part D coverage, it is considered "creditable." Medicare-eligible members with creditable coverage who do not enroll in the Medicare Part D program during the initial enrollment period of 11/15/05 to 5/15/06 **will not incur a penalty** for enrolling at a later date.
- **Not creditable coverage.** If a Medicare-eligible member's current GHI drug coverage is not as generous as Medicare Part D coverage, it is considered "not creditable." Medicare-eligible members with coverage that is "not creditable" who do not enroll in the Medicare Part D program during the initial enrollment period of 11/15/05 to 5/15/06 but choose to enroll at a later date **will incur a penalty** of one percent increased premium cost for each month after 5/15/06 that passes before they enroll.

The following small group GHI PPO and EPO programs are generally considered "not creditable:"

- Medicare Supplement "H" and "I" plans.
- Health Pass Plan 3 (with a \$2,000 annual Rx maximum).
- Any product in which the group has selected the 50/50 % Rx coinsurance option.
- Any product in which the group has selected the \$ 5,000 deductible option.

The following GHI HMO plans are generally considered "not creditable:"

- Any product in which the group has selected a \$3 or \$8 copayment option with a \$2,000 annual Rx maximum.
- Any product in which the group has selected the 50/50 % Rx coinsurance option.

Groups were provided with a letter about this issue to disseminate to their members. Please note that while this letter was sent to a broad population, it applies only to Medicare-eligible individuals.

Groups and Direct Payment subscribers were advised to contact GHI or the Centers for

Medicare and Medicaid Services (CMS) for additional information. For information about GHI's Medicare Part D product, please contact our Medicare Sales Director, Karen Nelson, at knelson@ghi.com. Please note that while GHI does not pay a commission to brokers for stand alone Medicare Part D business, we do pay commissions of \$300 per contract when Medicare Part D is sold with a Medicare Advantage plan and that contract remains effective with GHI for ninety days.

Brokers get the fastest service online.

Visit the [Agents/Brokers section](#) on GHI.com for full details about the entire family of GHI products, including our wide array of dental plan options. Registered brokers can log in to **myGHI eBroker Online Services** to monitor their GHI book of business, track commissions, view billing history, and more, around the clock.

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