

Important Notice Regarding Medicare Part D for Retired HealthFlex Participants

Participants may soon receive information from the Center for Medicare Services (CMS) about their eligibility to enroll in Medicare Part D, a federal prescription drug benefit. The General Board of Pension and Health Benefits of The United Methodist Church (General Board) encourages program sponsors to advise retired participants not to sign up for or apply for Medicare Part D for the following reasons:

1. **Participants are already covered with a prescription drug benefit as retirees under HealthFlex;**
2. **The prescription drug benefit under HealthFlex is generally a richer benefit than that provided through Medicare Part D;**
3. **Prescription drug coverage for participants covered under HealthFlex will be considered "creditable prescription drug coverage" under the terms of Medicare Part D, so if a participant ever had the need to enroll in Medicare Part D at a later time, he or she would not be penalized;**
4. **HealthFlex, through the General Board, will be applying for the federal prescription drug subsidy under the Medicare Modernization Act that is available to group health plans that provide retiree prescription drug coverage;**
 - a. The subsidy will be used only to defray costs of retiree drug coverage under HealthFlex;
 - b. HealthFlex program sponsors and participants will share the benefit of the subsidy through lower or abated premiums after the subsidy is received by the General Board;
 - c. In order to qualify for the subsidy, HealthFlex must provide an equal or better benefit than that of Medicare Part D (which it does);
 - d. If any HealthFlex participant covered under the program signs up for Medicare Part D, the program will not be eligible for a subsidy for that participant.

It is **very important** that HealthFlex participants **do not** sign up for Medicare Part D in order to ensure that the program will pass the tests for actuarial value set out by CMS. We thank you in advance for your support on this matter. If you have any questions, please call the **General Board Health Team** at **1-800-851-2201** and **select option 3**.