SUMMARY OF FEDERAL AND STATE REGULATIONS IMPACTING EMPLOYEE BENEFITS

There are a number of federal and state regulations that impact employee benefit plans. This section highlights some information on the regulations that impact health plans.

Health Care Reform

Notice of Opportunity to Enroll in connection with Extension of Dependent Coverage to Age 26

Individuals whose coverage ended, or who were denied coverage (or were not eligible for coverage), because the availability of dependent coverage of children ended before attainment of age 26 are eligible to enroll in Capital Health Plan or Blue Cross Blue Shield. For more information contact the City of Tallahassee Human Resources Office at (850) 891-8214.

Patient Protection Disclosure

Capital Health Plan generally requires the designation of a primary care provider. You have the right to designate any primary care provider who participates in our network and who is available to accept you or your family members. For children, you may designate a pediatrician as the primary care provider. For information on how to select a primary care provider, and for a list of the participating primary care providers, contact the Capital Health Plan at (850) 383-3311.

You do not need prior authorization from Capital Health Plan or from any other person (including a primary care provider) in order to obtain access to obstetrical or gynecological care from a health care professional in our network who specializes in obstetrics or gynecology. The health care professional, however, may be required to comply with certain procedures, including obtaining prior authorization for certain services, following a pre-approved treatment plan, or procedures for making referrals. For a list of participating health care professionals who specialize in obstetrics or gynecology, contact the Capital Health Plan at (850) 383-3311.

Notice-Lifetime Limit No Longer Applies and Enrollment Opportunity

The lifetime limit on the dollar value of benefits under Capital Health Plan and Blue Cross Blue Shield no longer applies. For more information contact the City of Tallahassee Human Resources Office at (850) 891-8214.

HIPAA Special Enrollment Rights

If you are declining enrollment for yourself or your dependents (including your spouse) because of other health insurance coverage, you may in the future be able to enroll yourself or your dependents in this plan, provided that you enroll within 30 days after your other coverage ends. In addition, if you have a new dependent as a result of marriage, birth, adoption, or placement for adoption, you may be able to enroll yourself and your dependents, provided that you enroll within 30 days after the marriage, birth, adoption, or placement for adoption.

Newborns' Act Disclosure Requirement

Group health plans and health insurance insurers generally may not, under Federal law, restrict benefits for any hospital length of stay in connection with childbirth for the mother or newborn child to less than 48 hours following a vaginal delivery, or less than 96 hours following a cesarean section. However, Federal law generally does not prohibit the mother's or newborn's attending provider, after consulting with the mother, from discharging the mother or her newborn earlier than 48 hours (or 96 hours as applicable). In any case,

plans and issuers may not, under Federal law, require that a provider obtain authorization from the plan or the insurance issuer for prescribing a length of stay not in excess of 48 hours (or 96 hours).

Women's Health and Cancer Rights Act of 1998

If you have had or are going to have a mastectomy, you may be entitled to certain benefits under the Women's Health and Cancer Rights Act of 1998. For individuals receiving mastectomy-related benefits, coverage will be provided in a manner determined in consultation with the attending physician and the patient, for:

- All stages of reconstruction of the breast on which the mastectomy was performed;
- Surgery and reconstruction of the other breast to produce a symmetrical appearance;
- Prostheses; and
- Treatment of physical complications of the mastectomy, including lymphedema.

These benefits will be provided subject to the same deductibles and coinsurance applicable to other medical and surgical benefits provided under this plan. If you would like more information on the benefits, call Capital Health Plan or Blue Cross/Blue Shield.

Mental Health Parity

This federal regulation prohibits plans from applying financial requirements (deductibles, co payments, coinsurance or limits on out of pocket expenses) or treatment limitations (frequency of treatment, number of visits, days of visits) to mental health or substance use disorder benefits that are less favorable than the common financial requirements or treatment limitations applied to substantially all medical and surgical benefits.

Michelle's Law

This federal regulation requires group health plans to continue to cover dependent children between the ages of 19-25 who take a medical leave of absence from a postsecondary educational institution due to a serious illness or injury.

State of Florida – Health Coverage for Overage Dependents (Adult Child)

The State of Florida passed legislation expanding coverage for eligible dependent children, 25 through 30 years of age, if they meet certain criteria. The City of Tallahassee has made this coverage available effective January 1, 2009.
Recent PPACA (Health Care Reform) rules have affected the age of the Florida Statute. An overage dependent (adult child) effective January 1, 2011 is ages 26 through 30.

To be eligible for enrollment under this new option, your dependent child must be:

- Between the ages of 26 and 30, AND;
- Unmarried without dependents of their own, AND;
- A Florida resident OR a full or part time student, AND;
- Is not covered under any other health plan or policy, AND;
- Is not entitled to coverage under Medicare

Tax Implications

In the situation where an employee is already enrolled in Family coverage under the Blue Cross/Blue Shield plan and adds an overage dependent, the value of the overage dependent coverage (Total monthly single premium for each overage dependent enrolled) will be added to the employee's taxable gross income for Federal income taxes as well as for Medicare (if the employees has Medicare withheld). Federal income taxes will be withheld from the employee's paycheck. If the overage dependent qualifies as a dependent for Federal Income Tax purposes, the employee may be eligible for a refund of the taxes paid when filing their Federal Income Tax Return. All additional overage dependent premiums are taxable. Please consult a tax professional as necessary before adding an overage dependent.

State of Florida Autism Coverage

The State of Florida passed legislation which required large group health insurance plans to provide coverage for screening, diagnosis, intervention and treatment of Autism Spectrum Disorder in certain children. Children must be under 18 years of age, or still in high school, and have been diagnosed as having autism spectrum disorder developmental disability at 8 years of age or younger.

State of Florida Collection of Social Security Numbers on Employment Forms

In compliance with Florida Statute, this document notifies you of the purpose for the collection and usage of your Social Security number. The City of Tallahassee has requested your social security number for the following specific purposes:

- to process and report wages pursuant to the Social Security Administration Act;
- to report income pursuant to the Federal Department of Internal Revenue Service;
- for processing the Federal 1-9 (Department of Homeland Security)
- for processing of immigration related documents, if applicable
- to initiate and process applicant or employee background checks to include consumer reports, educational institutions, government agencies, companies, corporations, and credit reporting agencies in compliance with the Fair Credit Reporting;
- for Drug Screening Test Identification;
- to process your employee benefits/retirement, as applicable;
- to process direct deposit authorization forms
- to process loan employment verifications, garnishment, child support orders

If you have any questions concerning the use of your social security number, please contact Human Resources at (850) 891-8214.

****CONTINUATION COVERAGE RIGHTS UNDER COBRA****

Introduction

You are receiving this notice because you may elect to become covered under the City of Tallahassee's group medical, dental or vision plan.

This notice contains important information about your right to COBRA continuation coverage, which is a temporary extension of coverage under the group plan. It generally explains COBRA continuation coverage, when it may become available to you and a covered dependent, and what you need to do to protect the right to receive COBRA continuation coverage.

The right to COBRA continuation coverage was created by a federal law, the Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA). COBRA continuation coverage can become available to you when you would otherwise lose your group health coverage. It can also become available to other members of your family who are covered under the plan when they would otherwise lose their group health coverage.

What is COBRA Continuation Coverage?

COBRA continuation coverage is a continuation of plan coverage when coverage would otherwise end because of a life event known as a "qualifying event." Specific qualifying events are listed later in this notice. After a qualifying event, COBRA continuation coverage must be offered to each person who is a "qualified beneficiary." You, your spouse, and your dependent children could become qualified beneficiaries if coverage is lost because of the qualifying event. Qualified beneficiaries who elect COBRA continuation coverage must pay entire premium, as well as, a small administrative fee for COBRA continuation coverage.

If you are an employee, you will become a qualified beneficiary if you lose your coverage because either one of the following qualifying events happens:

- Your hours of employment are reduced, or
- Your employment ends for any reason other than your gross misconduct.

If you are the spouse of an employee, you will become a qualified beneficiary if you lose your coverage because any of the following qualifying events happens:

- Your spouse dies;
- Your spouse's hours of employment are reduced;
- Your spouse's employment ends for any reason other than his or her gross misconduct;
- Your spouse becomes entitled to Medicare benefits (under Part A, Part B, or both); or
- You become divorced or legally separated from your spouse.

Your dependent children will become qualified beneficiaries if they lose coverage because any of the following qualifying events happens:

- The parent-employee dies;
- The parent-employee's hours of employment are reduced;
- The parent-employee's employment ends for any reason other than his or her gross misconduct;
- The parent-employee becomes entitled to Medicare benefits (Part A, Part B, or both);
- The parents become divorced or legally separated; or
- The child stops being eligible for coverage under the plan as a "dependent child."

When is COBRA Coverage Available?

Continued coverage will be offered to qualified beneficiaries upon termination from coverage based upon the reasons stated above. When the qualifying event is the end of employment or reduction of hours of employment, death of the employee, or the employee's becoming entitled to Medicare benefits under Part A, Part B, or both), the qualified beneficiaries will be notified.

You Must Give Notice of Some Qualifying Events

For the other qualifying events (divorce or legal separation of the employee and spouse or a dependent child's losing eligibility for coverage as a dependent child), you must notify Human Resources within 30 days of the qualifying event. You will be required to provide proof of the qualifying event, e.g., divorce decree, letter from provider indicating dependent has lost coverage, etc.

How is COBRA Coverage Provided?

Once Human Resources receives notice that a qualifying event has occurred, COBRA continuation coverage will be offered to each of the qualified beneficiaries. Each qualified beneficiary will have an independent right to elect COBRA continuation coverage. Covered employees may elect COBRA continuation coverage on behalf of their spouses, and parents may elect COBRA continuation coverage on behalf of their children.

COBRA continuation coverage is a temporary continuation of coverage. When the qualifying event is death of the employee, the employee's becoming entitled to Medicare benefits (under Part A, Part B, or both), your divorce or legal separation, or a dependent child's losing eligibility as a dependent child, COBRA continuation coverage lasts for up to a total of 36 months. When the qualifying event is the end of employment or reduction of the employee's hours of employment, and the employee became entitled to Medicare benefits less than 18 months before the qualifying event, COBRA continuation coverage for qualified beneficiaries (other than the employee) lasts until 36 months after the date of Medicare entitlement. For example, if a covered employee becomes entitled to Medicare 8 months before the date on which his employment terminates, COBRA continuation coverage for the spouse and children can last up to 36 months after the date of Medicare entitlement, which is equal to 28 months after the date of the qualifying event (36 months minus 8 months).

In other situations when the qualifying event is the end of employment or reduction of the employee's hours of employment, COBRA continuation coverage generally lasts for up to a total of 18 months. There are two ways in which this 18-month period of COBRA continuation coverage can be extended.

Disability extension of 18-month period of continuation coverage

If you or anyone in your family covered under a plan is determined by the Social Security Administration to be disabled and you notify HR Benefits Section in a timely fashion, you and your covered dependents may be entitled to receive up to an additional 11 months of COBRA continuation coverage, for a total maximum of 29 months. The disability would have to have started at some time before the 60th day of COBRA continuation coverage and must last at least until the end of the 18-month period of continuation coverage.

Second qualifying event extension of 18-month period of continuation coverage

If you or your covered dependents experience another qualifying event while receiving 18 months of COBRA continuation coverage, the spouse and dependent children in your family can get up to 18 additional months of COBRA continuation coverage, for a maximum of 36 months, if notice of the second qualifying event is properly given to the plan. This extension may be available to the spouse and any dependent children receiving continuation coverage if the employee or former employee dies, becomes entitled to Medicare benefits (under Part A, Part B, or both), or there is a divorce or legal separation, or if the dependent child stops being eligible under the plan as a dependent child, but only if the event would have caused the spouse or dependent child to lose coverage under the plan had the first qualifying event not occurred.

If You Have Questions

Questions concerning COBRA continuation coverage rights should be addressed to your Human Resources Consultant (891-8214) or the HR Benefits Section (891-8377). For more information about your rights under COBRA, the Health Insurance Portability and Accountability Act (HIPAA), and other laws affecting group health plans, contact the nearest Regional or District Office of the U.S. Department of Labor's Employee Benefits Security Administration (EBSA) in your area or visit the EBSA website at www.dol.gov/ebsa. (Addresses and phone numbers of Regional and District EBSA Offices are available through EBSA's website.)

Keep Your Employer Informed of Address Changes

In order to protect your family's rights, you should keep the City informed of any changes in the addresses of family members. You should also keep a copy, for your records, of any notices you send.

CITY OF TALLAHASSEE FLEXIBLE BENEFITS PLAN NOTICE OF PRIVACY PRACTICES

This notice will describe to you how medical information about you may be used and disclosed and how you can get access to this information.

PLEASE REVIEW IT CAREFULLY

If you have any questions about this Notice, or you would like to make a request concerning your rights, please contact the County Human Resources Division. This Notice applies to all records about your health care that we complete or have access to and relate to your eligibility or method of payment for such care.

OUR RESPONSIBILITIES

This privacy notice will tell you about the lawful ways in which we may use and disclose your Protected Health Information (PHI). It also describes your rights and the responsibilities we have regarding the use and disclosure of your PHI. PHI is information that may identify you (including your name, address, and social security number), that relates to your past, present, or future physical or mental health condition, your health care services, and payment for your health care services.

The City of Tallahassee Human Resources Division is required by law to maintain the security and privacy of your PHI and to provide you with this Notice of our Privacy Practices and legal duties. We are required to follow the terms of this Notice. We reserve the right to change the terms of this notice and to make any new provisions effective to the entire PHI that we maintain about you. If we revise this notice, we will provide you with a revised notice upon request. We will also make any revised Notice available on the City Net Benefits Webpage under Benefits Information.

USES and DISCLOSURES OF PHI

To comply with the law only the individual's "Minimum and Necessary" PHI will be used or disclosed to accomplish the intended purpose of the use, disclosure, or request. It is the City of Tallahassee's Human Resources Division practice to limit the use or disclosure of an individual's PHI on a "need to know" basis. The following categories describe some of the different ways we may use and disclose your PHI.

Payment:

We may use and disclose your PHI for payment activities. For example, we may use and disclose your PHI to process and pay your bill for health care services, when your health care provider requests information regarding your eligibility for coverage under our health plan, or in reviewing the medical necessity of the treatment you received, or in coordinating payment with other insurance carriers or facilities, or in coordinating reimbursement under our Flexible Benefits Plan.

Business Associates:

We may disclose your PHI to third party "business associates" that perform various services for us.

Individuals Involved in Your Care:

We may use and disclose your PHI to a family member or other person's you identify involved in your care. We will disclose only PHI relevant to that person's involvement in your care or payment for your care. We may use and disclose your PHI for locating and notifying a family member, a personal representative, or another person responsible for your care. If you are unable to agree or object to this disclosure, we may disclose such information as we deem is in your best interest based on our professional judgment.

State of Florida Monitors and Other Auditors:
We may disclose your PHI to State of Florida monitors and other auditors determining our compliance with the law, other state and federal regulations, and Generally Accepted Accounting Procedures.
Research:
We may use and disclose your PHI for research purposes in certain limited circumstances.

Required By Law: We will disclose your PHI as required by federal or state law including:

Military and National Security. We may disclose your PHI to authorized federal officials for conducting national security and intelligence activities who have appropriate authorization in writing citing the relevant Law, US. Code, Code of Federal Regulations, Florida Statute, and I or Florida Administrative Code. We may also be required to disclose your PHI to authorized members of the Armed Forces for activities deemed necessary, and described and justified in writing by appropriate military authorities.
Public Health. We may disclose your PHI for public health activities. For example, we may disclose your PHI when necessary to prevent a serious threat to you or others health and safety. Public health activities generally include: (1) to prevent or control disease, injury or disability; (2) to report births and deaths; (3) to report child abuse or neglect; (4) to report reactions to medications or problems with products; (5) to notify people of recalls of products they may be using; (6) to notify a person who may have been exposed to a disease or may be at risk for contracting or spreading a disease or condition; and (7) to notify the appropriate government authority if we believe the individual has been the victim of abuse, neglect, or domestic violence.
Health Oversight Activities. We may disclose your PHI to a health oversight agency for activities authorized by law such as audits, investigations, inspections, and licensure, Government oversight agencies include those agencies that oversee government benefit programs, government regulatory programs, and civil rights laws.
Legal Proceedings. We may disclose your PHI in the course of any judicial or administrative proceeding to the extent expressly authorized by a court or administrative order. We may disclose your PHI in response to a subpoena, discovery request, or other lawful process, but only if efforts have been made to tell you or your attorney representative about the request or to obtain an order protecting the information requested.
Law Enforcement. We may disclose your PHI to law enforcement officials for law enforcement, including: (1) in response to a court order, subpoena, warrant, summons, or similar process; (2) to identify or locate a suspect, fugitive, material witness, or missing person; (3) pertaining to a victim of a crime if, under certain limited circumstances, we are unable to obtain the person's agreement; (4) about a death we believe may be the result of criminal conduct; (5) about criminal conduct that occurs on our premises; and (6) in emergency circumstances to report a crime, the location of the crime or victims, or the identity, description, or location of the person who committed the crime.
Coroners, Medical Examiners, and Funeral Directors. We may disclose your PHI to a coroner or medical examiner for purposes of identifying a deceased person or determine cause of death. We may also disclose your PHI to a funeral director, as authorized by law, in order for the director to carry out assigned duties.
Inmates. If you are an inmate of a correctional institution, we may disclose your PHI to the correctional institution or law enforcement official holding you in custody in order for:
(1) the institution to provide you with health care; (2) your health and safety and the health and safety of others; or (3) the safety and security of the correctional institution.

OTHER USES and DISCLOSURE OF YOUR PHI

Other disclosures of your PHI not covered by this notice or laws that apply to our use and disclosure will be made only with your written authorization. You may revoke your authorization, in writing, at anytime. If you revoke your authorization we will no longer use or disclose your PHI for the reasons covered by your written authorization. We are unable to take back any use or disclosure that has already been made with your authorization or that has been made as described in this notice.

YOUR RIGHTS

The following is a description of your rights with respect to your Protected Health Information.

Right to a Request A Restriction. You have the right to request a restriction on certain uses and disclosures of your PHI, including that for treatment, payment, or health care operations, You also have the right to request a restriction on the disclosure of your information to individuals involved in your care or payment for your care. City of Tallahassee Human Resources Division will give serious consideration to your request but is not required to agree to any such restrictions. If we do agree, we will comply with the restriction unless the information is needed under exceptional circumstances. If we are unable to notify you of these exceptional circumstances prior to the fact, we will notify you of those circumstances as soon as reasonably possible. To request a restriction please contact the Human Resources Dviision. Your request must specify (1) the information you want to limit; (2) whether you want to limit our use, disclosure, or both; and (3) to whom you want the limits to apply.

Right to Access, Inspect, And Copy. You have the right to access, inspect, and obtain a copy of your PHI that may be used to make decisions about your health care benefits. This includes your medical and billing records, but may not include information that is subject to laws that prohibit access. We may deny your request to access, inspect, and copy in certain limited circumstances. If you are denied access, you may request that the denial be reviewed. A licensed health care provider chosen by us will review your request and denial. The person performing this request will not be the person who denied your initial request. We will comply with the outcome of that review. To inspect and copy your PHI, please contact the Human Resources Division. A fee may be charged for the cost of copying, mailing, or other supplies associated with your request.

Right to Amend — If you believe any of your information in our possession is inaccurate you may request, in writing, that we amend or correct the information that you believe to be erroneous. To request an amendment, contact the Human Resources Division. You will be required to provide a reason that supports your request. We may deny your request if you ask us to amend information that: (1) was not created by us, unless the person or entity that created the information is no longer available to make the amendment; (2) is not part of the Protected Health Information kept by or for us; (3) is not part of the information which you would be permitted to inspect or copy; or (4) is accurate and complete. If we deny your request you may submit a short statement of dispute, which will be included in any future disclosure of your information.

Right to an Accounting of Disclosures. You have the right to receive an accounting of disclosures of your PHI. This is a list of the disclosures of your PHI that we made to others. The list does not include disclosures made: (1) for treatment, payment and any other health plan operations; (2) to you; (3) that are incidental disclosures; (4) in accordance with an authorization; (5) for national security or intelligence purposes; and (6) to correctional institutions or law enforcement officials for the provision of health care, safety of individual, other inmates, and officers and employees. To request an accounting contact the Human Resources Division. You may request an accounting for disclosure made up to 6 years before the date of your request but not for disclosures made before January 1, 2005. The first accounting you request within a 12-month period will be free. For additional accountings, we may charge you the cost of providing the list. We will notify you of the fee before any costs are incurred.

Right to Confidential Communications. You have the right to request that you receive communication of your Protected Health Information in a certain time or manner (for example, by e-mail rather than by regular mail, or never by telephone). For example, you may ask that we only contact you at work or by U.S. Mail. We must agree to your request as long as it would not be disruptive to our operations to do so. You must make any such request in writing, addressed to the Human Resources Division. Your request must specify how or where you wish to be contacted.

Right to a Paper Copy of This Notice. You have the right to a paper copy of this notice. You may request a paper copy by contacting the Human Resources Division. In addition, you may obtain a copy of this notice on the CityNet Benefits Webpage under Benefits Information.

COMPLAINTS

If you believe your privacy rights have been violated, please send your complaint, in writing, to the Human Resources Division. All complaints will be resolved in a timely manner. If we cannot resolve your concern, you have the right to file a written complaint with the Secretary of the United States Department of Health and Human Services. You will not be retaliated against in any way for filing a complaint. If you would like to discuss the privacy of your Protected Health Information in detail, or if you have any concerns, please feel free to contact the Human Resources Division. For additional information, please contact the City of Tallahassee's Human Resources Division at 850-891-8214.

Important Notice from
Capital Health Plan
About Your Prescription Drug Coverage and Medicare

This notice applies ONLY to individuals who are over age 65 and on Medicare or approaching age 65 and eligible for Medicare or receiving Medicare Disability benefits. Please disregard this notice if you are not in one of these categories of individuals.

Please read this notice carefully and keep it where you can find it. This notice has information about your current prescription drug coverage with Capital Health Plan 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. Capital Health Plan has determined that the prescription drug coverage offered by your health plan 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 15 through December 31.

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 CHP coverage will be affected. You can keep this coverage if you elect to join a Medicare drug plan and your CHP health plan will coordinate your benefits with Medicare for drug coverage. If you would like more information about the prescription drug plan provisions and options that Medicare eligible individuals may have when they become eligible for Medicare prescription drug coverage, see pages 7-9 of the CMS Disclosure of Creditable Coverage to Medicare Part D Eligible Individuals Guidance located at http://www.cms.hhs.gov/CreditableCoverage/.

If you do decide to join a Medicare drug plan and drop your current CHP coverage, be aware that you and your dependents will 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 CHP 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 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 **1- 877-247-6512/1-850-523-7441 (TTY: 1-850-383-3534). 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 CHP 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 higher premium (a penalty).

Date: October 1, 2026
Name of Entity/Sender: Capital Health Plan
Contact—Position/Office: CHP Medicare Information Line
Address: P.O. Box 15349 Tallahassee, FL 32317-5349
Phone Number: **1- 877-247-6512/1-850-523-7441** 8am–8pm Monday – Sunday **(TTY: 850-383-3534)**

Important Notice from
Blue Cross and Blue Shield of Florida D/B/A Florida Blue
and Health Options Inc. D/B/A Florida Blue HMO.
About Your Prescription Drug Coverage and Medicare

This notice applies ONLY to individuals who are over age 65 and on Medicare or approaching age 65 and eligible for Medicare or receiving Medicare Disability benefits. Please disregard this notice if you are not in one of these categories of individuals.

Please read this notice carefully and keep it where you can find it. This notice has information about your current prescription drug coverage with Florida Blue 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. Florida Blue has determined that the prescription drug coverage offered by your health plan 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 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 Florida Blue coverage will be affected. You can keep this coverage if you elect to join a Medicare drug plan and your Florida Blue health plan will coordinate your benefits with Medicare for drug coverage. If you would like more information about the prescription drug plan provisions and options that Medicare eligible individuals may have when they become eligible for Medicare prescription drug coverage, see pages 7-9 of the CMS Disclosure of Creditable Coverage to Medicare Part D Eligible Individuals Guidance located at http://www.cms.hhs.gov/CreditableCoverage/.

If you do decide to join a Medicare drug plan and drop your current Florida Blue coverage, be aware that you and your dependents will 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 Florida Blue 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 us for further information at 1-800-FLA-BLUE (TTY: 711). **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 Florida Blue 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: October 1, 2026
Name of Entity/Sender: Florida Blue
Contact: Florida Blue Product Management
Address: P.O. Box 1798, Jacksonville, FL 32231
Phone Number: 1-800-314-0037, 8am – 9:30pm, Monday-Friday (TTY: 711)