

Important Notice from BAYADA Home Health Care, Inc. 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 BAYADA Home Health Care, Inc. and about your options under Medicare's prescription drug coverage. This information can help you decide whether you want to join a Medicare drug plan. Information about where you can get help to make decisions about your prescription drug coverage is at the end of this notice.

If neither you nor any of your covered dependents are eligible for or have Medicare, this notice does not apply to you or your dependents, as the case may be. However, you should still keep a copy of this notice in the event you or a dependent should qualify for coverage under Medicare in the future. Please note, however, that later notices might supersede this notice.

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. BAYADA Home Health Care, Inc. has determined that the prescription drug coverage offered by the BAYADA Home Health Care, Inc. Employee Health Care Plan ("Plan") is, on average for all plan participants, **NOT** expected to pay out as much as standard Medicare prescription drug coverage pays, and is considered "non-creditable" coverage. This is important, because most likely, you will get more help with your drug costs if you join a Medicare drug plan than if you only have prescription drug coverage from the Plan. It's also important because if you delay your enrollment in a Medicare drug plan you may have to pay a late enrollment penalty later, when you *do* enroll in a Medicare drug plan. See the discussion below about late enrollment penalties that might apply when you move from "non-creditable" coverage to a Medicare drug plan after your first opportunity to do so.
3. You have decisions to make about Medicare prescription drug coverage that may affect how much you pay for that coverage, depending on if and when you join. Read this notice carefully—it explains your options.

Consider joining a Medicare drug plan. You can keep your coverage from BAYADA Home Health Care, Inc.. You can keep the coverage regardless of whether it is "creditable" or "non-creditable," that is, regardless of whether it is as good as a Medicare drug plan. However, because your existing coverage is "non-creditable" coverage, meaning that on average it's NOT at least as good as standard Medicare prescription drug coverage, you may pay a higher premium (a penalty) if you later decide to join a Medicare drug plan.

Enrolling in Medicare – General Rules

As some background, you can join a Medicare drug plan when you first become eligible for Medicare. If you qualify for Medicare due to age, you may enroll in a Medicare drug plan during a 7-month initial enrollment period. That period begins three months prior to your 65th birthday, includes the month you turn 65, and continues for the ensuing three months. If you qualify for Medicare due to disability or end-stage renal disease, your initial Medicare Part D enrollment period depends on the date your disability or treatment began. For more information, you should contact Medicare at the telephone number or web address listed below.

Late Enrollment and the Late Enrollment Penalty

If you decide to *wait* to enroll in a Medicare drug plan you may enroll later, during Medicare Part D's annual enrollment period, which runs each year from October 15 through December 7. But as a general rule, if you delay your enrollment in a Medicare drug plan after first becoming eligible to enroll, you may have to pay a higher premium when you later enroll in a Medicare drug plan.

If after your initial Medicare Part D enrollment period you go **63 continuous days or longer without "creditable" prescription drug coverage** (that is, prescription drug coverage that's at least as good as Medicare's prescription drug coverage), your monthly Part D premium may go up by at least 1 percent of the premium you would have paid had you enrolled timely, for every month that you did not have creditable coverage after your initial enrollment period.

For example, if you do not enroll in a Medicare drug plan during your Medicare Part D initial enrollment period, and you then go 19 months without "creditable" prescription drug coverage before enrolling in a Medicare drug plan, your Medicare drug plan premium may be at least 19 percent higher than the premium you otherwise would have paid. You may have to pay this higher premium for as long as you have Medicare prescription drug coverage.

Please note again that BAYADA Home Health Care, Inc. has determined the prescription drug coverage you currently have through its plan is NOT "creditable" coverage. This means that if you do not enroll in a Medicare drug plan during your initial enrollment period, and don't have or acquire "creditable" prescription drug coverage during the ensuing 63 days; you will pay a late enrollment penalty when you ultimately enroll in a Medicare drug plan.

Special Enrollment Periods and Exceptions to the Late Enrollment Penalty

There are "special enrollment periods" that allow you to enroll in a Medicare drug plan months or even years after you first became eligible to do so. Whether you will be required to pay a late enrollment penalty when you enroll in a Medicare drug plan during a special enrollment period depends on whether you are moving to a Medicare drug plan from creditable or non-creditable prescription drug coverage.

If after your Medicare Part D initial enrollment period you lose or decide to leave employer-sponsored or union-sponsored prescription drug coverage, you will be eligible to enroll in a Medicare drug plan during a 2-month special enrollment period. If your employer- or union-sponsored prescription drug coverage was "creditable" coverage, your enrollment in a Medicare drug plan will be *without penalty* (assuming you did not have a 63-consecutive-day or longer break in "creditable" coverage after your Medicare Part D initial enrollment period). On the other hand, if the coverage was "non-creditable" your enrollment in the Medicare drug plan will be subject to a late enrollment penalty unless you had non-creditable coverage for fewer than 63 consecutive days after your Medicare Part D initial enrollment period.

In addition, if through no fault of your own you otherwise lose creditable prescription drug coverage (e.g., your employer- or union-sponsored plan's coverage changes from creditable to non-creditable, or you lose creditable prescription drug coverage under an individual policy), you will be able to join a Medicare drug plan without penalty. This special enrollment period ends two months after the month in which your other coverage ends.

Please note again that BAYADA Home Health Care, Inc. has determined the prescription drug coverage you currently have through its plan is NOT "creditable" coverage. This means when you lose or decide to leave coverage under the BAYADA Home Health Care, Inc. health plan after your initial Medicare Part D enrollment period you will pay a late enrollment penalty when you ultimately enroll in a Medicare drug plan.

Compare Coverage

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. See the BAYADA Home Health Care, Inc. Plan's summary plan description for a summary of its prescription drug coverage. If you don't have a copy of the summary plan description, you can get one by contacting us at the telephone number or address listed below.

Coordinating Other Coverage with Medicare Part D

Generally speaking, if you decide to join a Medicare drug plan while covered under the BAYADA Home Health Care, Inc. Plan due to your employment (or someone else's employment, such as a spouse or parent) your coverage under the BAYADA Home Health Care, Inc. Plan will not be affected. For most persons covered under the Plan, the Plan will pay prescription drug benefits first, and Medicare will determine its payments second. For more information about this issue of what program pays first and what program pays second, see the Plan's summary plan description or contact Medicare at the telephone number or web address listed below.

If you do decide to join a Medicare drug plan and drop your BAYADA Home Health Care, Inc. prescription drug coverage, be aware that you and your dependents may not be able to get this coverage back. To regain coverage you would have to re-enroll in the Plan, pursuant to the Plan's eligibility and enrollment rules. You should review the Plan's summary plan description to determine if and when you are allowed to re-enroll or add coverage.

For More Information About This Notice or Your Current Prescription Drug Coverage

Contact the person listed below for further information, or call Contact Phone Number. **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 BAYADA Home Health Care, Inc. changes. You also may request a copy.

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).

Date:	10/1/2015
Name of Entity/Sender:	Kristen Buff
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Nothing in this notice gives you or your dependents a right to coverage under the Plan. Your (or your dependents') right to coverage under the Plan is determined solely under the terms of the Plan.