



NOTICE OF CREDITABLE COVERAGE (NOCC)

Important Notice re: Lumen Medical Plans' Prescription Drug Coverage and Medicare Prescription Drug Coverage

Read this notice carefully—it explains the options you have under Medicare Prescription Drug coverage also known as a stand-alone prescription drug plan (Medicare Part D) and can help you decide whether you should elect to enroll.

This notice applies to individuals who have or will have Medicare Part A and/or Part B and are eligible for coverage under Lumen's Health Care Plan, the Bind On-Demand Plan and the Retiree and Inactive Health Plan, including those only eligible for the Health Reimbursement Account (HRA) or SHARE Account, (collectively referred to here as the **"the Plan"**).

Medicare prescription drug coverage became available in 2006 to everyone who has Medicare coverage. You can obtain this coverage if you obtain an individual Medicare Prescription Drug Policy or join a Medicare Advantage Plan/Policy like an HMO or PPO that includes prescription drug coverage.

This notice is for those who are or will be Medicare eligible in 2022 and provides information about the prescription drug coverage offered by the Plan and the prescription drug coverage offered by Medicare. All Medicare Prescription Drug plans will provide at least a standard level of coverage set by Medicare. Some plans may offer more coverage; however, they may also charge a higher monthly premium.

Creditable Coverage

If you are enrolling in the Plan excluding the Health Reimbursement Account (HRA) or SHARE Account, you will not need to enroll in a stand-alone prescription drug plan, (Medicare Part D.) This is because your Lumen prescription drug coverage meets the obligation of having creditable drug coverage.

If you are enrolling in the Health Reimbursement Account (HRA) or SHARE Account, neither plan directly provides prescription drug coverage, but does allow you to purchase your own individual prescription drug policy.

As explained above, the Plan's prescription drug coverage is "Creditable Coverage;" therefore, you can enroll in the Plan and not pay a higher premium (a Medicare penalty) for Medicare prescription drug coverage if you decide later to join a Medicare Prescription Drug plan.

When Can You Join A Medicare Prescription Drug Plan?

You can join a Medicare Prescription Drug plan (Part D) when you first become eligible for Medicare. The Medicare Part D open enrollment period for 2022 is from Oct. 15 through Dec. 7, 2021, for coverage effective Jan. 1, 2022. However, if you are eligible to enroll or are enrolled in the Plan, you will have "Creditable Coverage" and therefore, you may decide that you do not need to enroll in a Medicare Prescription Drug plan at the time you become Medicare eligible. By continuously participating in the Plan, without a break in coverage, you will have "Creditable

Coverage” which allows you to join a Medicare Prescription Drug plan later, without paying a higher premium (penalty).

When the Company Prescription Drug Coverage Ends

You can join a Medicare Prescription Drug plan when you first become eligible for Medicare and each year thereafter, during the Medicare open enrollment period (Oct. 15 through Dec. 7). If you lose your current coverage under the Plan, through no fault of your own, you will be eligible for a two (2) month Special Enrollment Period (SEP) to join a Medicare Prescription Drug plan.

When Will You Pay A Higher Premium (Penalty) To Join A Medicare Drug Plan?

You should also know that if you choose to drop or lose your current coverage under the Plan and do not obtain an individual Medicare policy within 63 continuous days after your current Lumen medical Plan coverage ends, you may pay a higher premium (a penalty) to join a Medicare Prescription Drug plan later.

This means that if you go longer than 63 days without creditable prescription drug coverage, your monthly premium will go up at least 1% of the Medicare base beneficiary premium per month for every month after your initial enrollment period that you did not have Creditable Coverage. **For example**, if you go nineteen (19) months without Creditable Coverage, your premium may consistently be at least 19% higher than the Medicare base beneficiary monthly premium.

You may have to pay this higher premium (a penalty) as long as you have Medicare prescription drug coverage. In addition, if your coverage under the Plan is dropped after the Medicare open enrollment period, you may have to wait until the next Medicare open enrollment to enroll in a Medicare Prescription Drug plan. In the event your prescription coverage under the Plan is terminated due to nonpayment or insufficient payment, the penalties described above could also apply to your ability to get coverage under a Medicare Prescription Drug plan.

Active Employees

If you are an active employee and you or any of your covered dependents are eligible for Medicare in 2022 and enrolled in the Plan, you only need to enroll in Medicare Part A as the Plan will provide your primary coverage. However, should you leave the Plan (e.g., retire, terminate or part of a reduction in force, etc.), you will need to notify Medicare of your change in work status immediately so that you may enroll in Medicare Part B without being required to pay the higher premium (a penalty) for not enrolling timely.

Coverage after Termination

If you are leaving Lumen for reasons other than retirement and you are not eligible for retiree medical benefits, you may be eligible for up to 18 months of continuation coverage under COBRA. To continue coverage, you will need to complete the steps by the deadline outlined in your COBRA packet. Your COBRA packet is mailed to the address on file within 14 business days from when your termination date is entered into the payroll system.

Medicare Prescription Drug plans are required to pay a high percentage of covered prescription drug costs once you reach a certain out-of-pocket maximum amount each year. Once you enroll in a Medicare Prescription Drug plan, Medicare has strict rules regarding whether you can disenroll even if you realize that the coverage is not value added to you. Generally, you would need to wait until the next year’s Medicare open enrollment period (Oct. 15 – Dec. 7) to disenroll. So, you should strongly consider whether enrollment in a Medicare Prescription Drug

plan is right for you and be sure that the coverage will provide additional value to you and/or your dependent(s).

Qwest Pre-1991 and ERO '92 Retirees - Retiree Health Care Commitment or Guaranteed Coverage Option

If you decide to enroll in the Health Reimbursement Account (HRA) Plan, or the Waive/No Coverage option in 2022, you will no longer continue to be eligible for the Company Retiree and Inactive Health Plan prescription drug or medical coverage. You can make a change to your elections but not until Lumen's next Annual Enrollment or if you experience a Qualified Life Event. If you don't enroll in the HRA Plan or the Waive/No Coverage option, you will receive your prescription drug or medical coverage under the alternative option you elect for 2022.

If you enroll in the Guaranteed coverage option and you or any covered dependent(s) decide to enroll in a Medicare Prescription Drug plan, you will continue to be eligible to receive the Company Retiree and Inactive Health Plan prescription drug and medical coverage.

Note: You do not need to enroll in Medicare Part D if you are covered under the **Retiree Health Care Commitment or Guaranteed Coverage Option** (and do not elect to enroll in the Medicare Advantage Plan or the Health Reimbursement Account HRA Plan) as you are considered to have Creditable Coverage.

If you elect to enroll in a Medicare Prescription Drug plan in addition to the prescription drug coverage under the Retiree Health Care Commitment or Guaranteed Coverage Option, the benefits will be coordinated with the Company Retiree and Inactive Health Plan prescription drug plan coverage. Medicare Prescription Drug plans are required to pay a high percentage of covered prescription drug costs once you reach a certain out-of-pocket maximum amount each year. If you have both Medicare and the Company Retiree and Inactive Health Plan prescription drug coverage, the amounts covered by the Company Retiree and Inactive Health Plan prescription drug coverage will delay and may prevent you from reaching the out-of-pocket maximum associated with Medicare prescription drug coverage. Once you enroll in a Medicare Prescription Drug plan, Medicare has strict rules regarding disenrollment even if you realize that the coverage is not value-added to you and/or your dependent(s).

Generally, you would need to wait until the next year's Medicare open enrollment period (Oct.15 – Dec. 7) to disenroll. You should strongly consider whether enrollment in a Medicare Prescription Drug plan is right for you and your eligible dependent(s) and that you should be sure that the coverage will provide additional value.

All Retirees (excluding Pre-1991 and ERO '92) eligible for Coverage at the Health Insurance Exchange

If you are eligible for a Health Reimbursement Account (HRA) or SHARE Account under the Plan and are covered on your own individual Medicare Part D policy issued by the Health Insurance Exchange, you are not eligible to receive the Plan coverage. You will receive your medical or prescription drug coverage under the alternative option you elect for 2022.

Please Note: You may receive this notice at other times in the future such as before the next open period you can enroll in Medicare prescription drug coverage, or if you are enrolled in the Plan and the prescription drug coverage changes.

For More Information about this Notice: Keep this notice for your records. However, you may request a copy of this notice at any time throughout the year.

For more information about coverage under the Plan:

***Now through Nov. 2, 2021,** contact the Lumen Health and Life Service Center at 866-935-5011

***Nov. 3, 2021 through 2022,** contact the Lumen Health and Life Service Center at 833-925-0487 or for international callers at 317-671-8494, or call the Claims Administrator (e.g., Bind Health Plan, UnitedHealthcare, etc.).

Information about Your Options Under Medicare Prescription Drug Coverage:

More detailed information about individual Medicare Policies that offer prescription drug coverage is available in the **Medicare & You** handbook from Medicare. If you have Medicare (Part A or Part B), Medicare will mail you a copy of the handbook each year. You may also be contact:

- 1) Call your State Health Insurance Assistance Program. Refer to the inside back cover of your copy of the *Medicare & You* handbook for the telephone number for personalized assistance.
- 2) Call Medicare at 800-MEDICARE at 800-633-4227 (TTY 877-486-2048).
- 3) Visit medicare.gov

For people with limited income and resources, extra help paying for a Medicare Prescription Drug plan is available. Information about this assistance is available from the Social Security Administration (SSA). For more information, visit SSA online at www.socialsecurity.gov or call **800-772-1213** (TTY **800-325-0778**).

The Company has delegated and reserved to the Plan Administrator the right to interpret and resolve any ambiguities in the Company Plan or any document related to the Company Plan. Benefits and contribution obligations, if any, are determined by the Company in its sole discretion. The Company has the right to change, modify, discontinue or terminate the benefits of the Company Plan at any time, subject to applicable law, terms of the Plan Document, and solely with respect to Qwest Pre-1991 retirees and Qwest ERO '92 retirees, the written agreement specific to their plan

Keep this Creditable Coverage Notice. If you enroll in one of the Medicare Prescription Drug plans approved by Medicare which offer prescription drug coverage for 2022, you may need to provide a copy of this Notice of Creditable Coverage to show that you have had Creditable Coverage and, that you are not required to pay a higher premium amount (a penalty).