

## Medicare Part D Notice of Creditable Coverage

### Important Notice from REI

#### About Your Prescription Drug Coverage under the REI Full Benefit Plan or REI Access Plan and Medicare

**TO: All Participants in the medical coverage offered by the REI Full Benefit Plan or REI Access Plan who have Medicare or who will become eligible for Medicare in the next 12 months.**

Please read this notice carefully and keep it where you can find it. This notice has information about your current prescription drug coverage under the medical coverage provided by the REI Full Benefit Plan or the REI Access Plan ("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:

- Medicare prescription drug coverage is available 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. This coverage is sometimes referred to as Medicare Part D prescription drug coverage. In general, Medicare Part D provides coverage for prescription drugs not covered under Medicare Part A and Part B. 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.
- REI has determined that the prescription drug coverage offered by all of the medical plan options under the REI Full Benefit Plan and the REI Access Plan is, on average for all plan participants, expected to pay out as much as, if not more than, the standard Medicare prescription drug coverage pays and is therefore considered Creditable Coverage. Because your existing prescription drug coverage is Creditable Coverage, you can keep REI's coverage and not pay a higher premium (a penalty) if you later decide to join a Medicare drug plan.

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### When Can You Join a Medicare Drug Plan?

Individuals can enroll in a Medicare prescription drug plan when they first become enrolled in Medicare Parts A and/or B and each year during the Medicare Part D open enrollment period from October 15th through December 7th (with coverage beginning the following January 1).

However, if you lose current creditable prescription drug coverage through no fault of your own, you will 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, you may also continue your prescription drug coverage under the Plan. In this case, the coverage provided by the Plan will continue to pay primary or secondary as it had before you enrolled in a Medicare prescription drug plan. The coverage provided by the Plan will pay prescription drug benefits as the primary payer in most instances. Medicare will pay benefits as a secondary payer, and thus the value of your Medicare prescription drug coverage will be greatly reduced. Your current coverage under the Plan, which pays for other health benefits as well as prescription drugs, will not change if you choose to enroll in a Medicare prescription drug coverage program.

If you do decide to join a Medicare drug plan and drop health coverage, including your prescription drug coverage, under the Plan, be aware that you won't be able to get the coverage back until the next open enrollment or until you experience a qualifying life event.

## **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 under the Plan and don't join a Medicare drug plan within 63 continuous days after your current REI coverage ends, you may pay a higher premium (a penalty) to join a Medicare drug plan.

If you go 63 continuous days or longer without creditable prescription drug coverage, your monthly premium may go up at least 1% of the base Medicare 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 Medicare premium may consistently be at least 19% higher than the 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 Medicare Part D open enrollment period to join.

## **For More Information about This Notice or Your Current Prescription Drug Coverage...**

Contact the REI Employee Service Center at **1-800-999-4734** or **hrhr@rei.com** for further information.

**NOTE:** This is an annual notice. You will also receive it before the next period you can join a Medicare drug plan or if coverage through the Plan changes. You may also 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 will 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](http://www.medicare.gov)
- Call your State Health Insurance Assistance Program (see the inside back cover of the “Medicare & You” handbook for their telephone number) for personalized help, or
- 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](http://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) for Medicare prescription drug coverage.**

Date: September, 2023  
Medicare Plan Year: 2024  
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