



September 2024

Dear Arkema Employee:

Medicare provides voluntary prescription drug coverage, called Medicare Part D. Medicare Part D coverage will apply to you if you, or a covered dependent, are or become eligible for Medicare in the next 12 months. If you have a dependent who is Medicare-eligible (for example, a spouse over age 65 or a disabled dependent who is covered under Medicare), he/she will need to decide whether or not to enroll in a Part D plan during the Medicare enrollment period (each year from October 15 to December 7). Or, if you will soon become Medicare-eligible, you will also be given the option to enroll.

As an employer, Arkema is required to provide the attached *Notice of Creditable Coverage* to all employees, retirees, and dependents covered or who apply for coverage under one of Arkema's medical plans providing prescription drug coverage.

The key purpose of the *Notice* is to advise you that the prescription drug coverage under Arkema's medical plan is expected to pay out, on average, at least as much as the standard Medicare Part D prescription drug plan will pay in 2025. This is known as "creditable coverage."

This is important because if you, or a covered dependent, are or become covered under Medicare and you decide to forego enrolling in a Medicare prescription drug plan now, but want to enroll during a subsequent enrollment period, you will not be subject to a late enrollment penalty if you can show that you had Creditable Coverage within 63 days of your Medicare Part D enrollment.

You should keep the *Notice* with your important records.

If you have any questions, you can call the Arkema Benefits Center at 1-800-406-9823, Monday to Friday, 9 a.m. to 6 p.m. Eastern.

Arkema Inc.  
Health and Welfare Benefits  
Human Resources Department



## **Important Notice from Arkema About Creditable Prescription Drug Coverage and Medicare**

**(Medicare Part D coverage will only apply to you if you or a covered dependent are or become covered by Medicare in the next 12 months. If this is not the case for you, no action is required on your part other than to maintain this important notice.)**

The key purpose of this notice is to advise you that the prescription drug coverage under the Arkema Inc. Medical Plan is expected to pay out, on average, at least as much as the standard Medicare prescription drug coverage will pay in 2025. (This is known as “Creditable Coverage.”) The reason this is important is that if you or a covered dependent are or become covered by Medicare, and you decide to enroll in a Medicare prescription drug plan during a subsequent enrollment period, you will not be subject to a late enrollment penalty, as long as you had creditable coverage within 63 days of your Medicare prescription drug plan enrollment. You should keep this notice with your important records.

Please read this notice carefully and keep it where you can find it. This notice has information about Arkema’s current prescription drug coverage 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 coverage:

- 1. 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. 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. Arkema has determined that the prescription drug coverage offered by the Arkema medical plans is, on average for all plan participants, expected to pay out as much as standard Medicare prescription drug coverage pays in 2025 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.**

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

You can join a Medicare prescription drug plan when you first become eligible for Medicare and each year from October 15 through December 7. However, if you lose 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 because you lost creditable coverage.

Under the Arkema Inc. Medical Plan, the prescription drug coverage available to you is part of the medical plan option you select.

The **Aetna Choice POS II PPO** and **Out-of-Area plans** require that each participant pay a coinsurance/copayment for all prescription drugs.

For the **Aetna Choice POS II Consumer Driven Health Plan (CDHP) with a Health Savings Account (HSA)**, prescription drug costs other than preventive drugs are paid in full by participants until they reach their overall annual medical plan deductible of \$1,800 for employee only coverage and \$3,600 for all other coverage levels in-network, and \$3,600 for employee only coverage and \$7,200 for all other coverage levels out-of-network. This deductible will include all prescription drug and eligible medical expenses. Participants can use funds in their HSA to help pay for these expenses. After participants have reached this deductible, they must pay a coinsurance/copayment for all prescription drugs. Participants do not need to reach the deductible for drugs on the preventive drug list, but coinsurance/copayments still apply.

The following prescription drug coverage is available under the Arkema Inc. Medical Plans and is Creditable Coverage:

Prescription Drugs	Prescription Drug coverage for <b>Aetna Choice POS II PPO</b>		Prescription Drug coverage for <b>Aetna Choice POS II Consumer Driven Health Plan with a Health Savings Account (CDHP with an HSA)</b>	
	<i>Aetna Participating Pharmacy</i>	<i>Non-participating Pharmacy</i>	<i>Aetna Participating Pharmacy</i>	<i>Non-participating Pharmacy</i>
<b>Retail (up to 30-day supply)</b>				
<b>Annual deductible</b>	\$50/individual \$100/family  (Applies to retail only)		\$1,800/employee only coverage \$3,600/all other coverage levels  All retail and mail-order pharmacy expenses are subject to the combined medical and prescription drug annual deductible*	\$3,600/employee only coverage \$7,200/all other coverage levels  All retail pharmacy expenses are subject to the combined medical and prescription drug annual deductible
<b>Annual out-of-pocket maximum</b>	\$2,000/individual \$4,000/family  (Applies to retail and mail-order)		\$4,000/employee only coverage \$8,000/all other coverage levels  All retail and mail-order pharmacy expenses are subject to the combined medical and prescription drug annual out-of-pocket maximum	\$8,000/employee only coverage \$16,000/all other coverage levels  All retail and mail-order pharmacy expenses are subject to the combined medical and prescription drug annual out-of-pocket maximum

Prescription Drugs	Prescription Drug coverage for <b>Aetna Choice POS II PPO</b>		Prescription Drug coverage for <b>Aetna Choice POS II Consumer Driven Health Plan with a Health Savings Account (CDHP with an HSA)</b>	
	<i>Aetna Participating Pharmacy</i>	<i>Non-participating Pharmacy</i>	<i>Aetna Participating Pharmacy</i>	<i>Non-participating Pharmacy</i>
<b>Retail (up to 30-day supply)</b>				
<b>Generic**</b>	20% coinsurance, minimum \$10***	You must meet the deductible before the plan begins to pay benefits. You pay 100% of the retail cost and submit a claim for reimbursement. The plan will reimburse you for the participating pharmacy cost of the prescription drug less the member coinsurance. Note that any amounts in excess of the participating pharmacy cost will not be reimbursed.	20% coinsurance (after deductible), minimum \$10*	You must meet the deductible of \$3,600/employee only coverage or \$7,200/all other coverage levels before the plan begins to pay benefits. Then, you pay 100% of the retail cost and submit a claim for reimbursement. The plan will reimburse you for the participating pharmacy cost of the prescription drug less the member coinsurance. Note that any amounts in excess of the participating pharmacy cost will not be reimbursed.
<b>Brand-name formulary</b>	20% coinsurance, minimum \$30***		20% coinsurance (after deductible), minimum \$30*	
<b>Brand-name non-formulary</b>	20% coinsurance, minimum \$60***		20% coinsurance (after deductible), minimum \$60*	
<b>Mail-Order (90-day supply)</b>				
<b>Generic**</b>	\$20 copay***	Not available	\$20 copay after CDHP deductible	Not available
<b>Brand-name formulary</b>	\$60 copay***		\$60 copay after CDHP deductible	
<b>Brand-name non-formulary</b>	\$120 copay***		\$120 copay after CDHP deductible	

\* Through the CDHP, preventive drugs such as vitamins, vaccines, fluoride preparations, and cholesterol-lowering drugs that are prescribed by your medical care provider are not subject to the annual deductible, though you will pay the applicable coinsurance or copay associated with the drug you receive. For a complete list, visit [Arkema Benefits Online](#), then click on [Forms > Health Forms > Prescription > CDHP Preventive Drug List](#).

\*\* If a generic drug is available and you purchase a brand-name (formulary or non-formulary) drug, you will pay the applicable retail coinsurance or mail-order copay, plus the difference in the cost between the brand-name and generic drug.

\*\*\* You must meet the combined medical and prescription deductible before the plan begins to pay benefits.

Arkema's current coverage pays for other health expenses, in addition to prescription drugs, and you will still be eligible to receive all of your current medical and prescription drug benefits if you choose to enroll in a Medicare prescription drug plan.

### **What Happens to Your Current Coverage If You Decide to Join a Medicare Drug Plan?**

If you are an active employee or family member of an active employee, and you decide to enroll in a Medicare prescription drug plan and retain your current Arkema coverage, your current Arkema medical and prescription drug coverage will not be affected. If you participate in the Aetna Choice POS II Consumer Driven Health Plan (CDHP) with a Health Savings Account (HSA), you will no longer be eligible to contribute to an HSA upon being enrolled in Medicare. Your Arkema coverage will continue to pay primary or secondary as it had before you enrolled in a Medicare prescription drug plan. If you do decide to join a Medicare drug plan and drop or waive your Arkema medical and prescription drug coverage, Medicare will be your only payer and you will only be able to re-enroll in an Arkema plan during the annual enrollment period or if you experience a qualifying change in status or become eligible for special enrollment under the Health Insurance Portability and Accountability Act of 1996 (HIPAA). You should compare your current prescription drug coverage, including which drugs are covered, with the coverage and cost of the plans offering Medicare prescription drug coverage in your area before making your decision.

### **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 coverage with Arkema and don't join a Medicare drug plan within 63 continuous days after your current coverage ends, you may pay more (a penalty) to join Medicare prescription drug coverage later. If you go 63 continuous days or longer without prescription drug coverage that's at least as good as Medicare's prescription drug coverage, your monthly Part D premium will go up at least 1% of the Medicare base beneficiary premium per month for every month that you did not have creditable coverage. For example, if you go 19 months without creditable coverage, your Medicare prescription drug plan 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 the Arkema Benefits Center at 1-800-406-9823, Monday to Friday, 9 a.m. – 6 p.m. Eastern.

**Note:** You will get this notice each year. You will also get it before the next period when you can join a Medicare prescription drug plan and if this coverage through Arkema 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 available in the *Medicare & You* handbook. Medicare participants will get a copy of the handbook in the mail every year from Medicare. You may also be contacted directly by Medicare prescription drug plans. To get more information about Medicare prescription drug plans:

- Visit [www.medicare.gov](http://www.medicare.gov).
- Call your State Health Insurance Assistance Program (see a 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 a Medicare prescription drug plan is available. Information about this extra help is available from the Social Security Administration (SSA). For more information about this extra help, visit SSA online 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 need to provide a copy of this notice when you join a Medicare plan 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 more information about this notice or your prescription drug coverage, contact the Arkema Benefits Service Center at 1-800-406-9823.

September 2024  
Arkema Inc.  
Health and Welfare Benefits  
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The PPO and CDHP health plan options both meet Minimum Creditable Coverage standards for Massachusetts residents effective January 1, 2025, as part of the Massachusetts Health Care Reform Law.

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September 2024  
Active NOCC