

PRESCRIPTION DRUG CREDITABLE COVERAGE NOTICE

Important Notice About Your Employer Provided Prescription Drug Coverage and Medicare

Date: June 22, 2005

Employer Name:

Group Number:

Contact

Position/Office:

Address:

Phone Number:

Please read this notice carefully and keep it where you can find it. This notice has information about your current prescription drug coverage with the above named employer and prescription drug coverage available for people with Medicare. It also explains the options you have under Medicare prescription drug coverage and can help you decide whether or not you want to enroll. At the end of this notice is information about where you can get help to make decisions about your prescription drug coverage.

- Medicare prescription drug coverage became available in 2006 to everyone with Medicare through Medicare prescription drug plans and Medicare Advantage Plans that offer prescription drug coverage. All Medicare prescription 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.
- The above named employer has determined that **the prescription drug coverage offered under its group health plan is, on average for all participants, expected to pay out as much or more than the standard Medicare prescription drug coverage will pay and is considered Creditable Coverage.**
- Your current coverage provides benefits for other health expenses, in addition to prescription drugs. If you choose to enroll in a Medicare prescription drug plan, you will still be eligible to receive all of your current health and prescription drug benefits.
- Because your existing prescription drug coverage is on average at least as good as standard Medicare prescription drug coverage, you can keep this coverage and not pay extra if you later decide to enroll in Medicare prescription drug coverage.

For more information about this notice or your current prescription drug coverage, contact our office at the address listed above or by calling the phone number listed above. NOTE: You will receive this notice annually and at other times in the future, such as before the next period you can enroll in Medicare prescription drug coverage, and if coverage under your employer's plan changes. You may also request a copy of the notice at any time.

For general information regarding the Medicare prescription drug coverage and additional resources you may access, please see the second page of this notice.

Remember: Keep this notice. If you enroll in one of the new plans approved by Medicare that offer prescription drug coverage, you may be required to provide a copy of this notice when you join to show that you are not required to pay a higher premium amount.

Individuals can enroll in a Medicare prescription drug plan when they first become eligible for Medicare and each year from November 15th through December 31st. Beneficiary's leaving employer/union coverage may be eligible for a Special Enrollment Period to sign up for a Medicare prescription drug plan.

You should compare your current coverage, including which drugs are covered, with the coverage and cost of the plans offering Medicare prescription drug coverage in your area. **If you do decide to enroll in a Medicare prescription drug plan and drop your prescription drug coverage with the above named employer, be aware that you and your dependents may not be able to get that coverage back. Please contact us for more information about what happens to your coverage if you enroll in a Medicare prescription drug plan.**

You should also know that if you drop or lose your coverage with the above named employer and do not enroll in Medicare prescription drug coverage after your current coverage ends, you may pay more (a penalty) to enroll in Medicare prescription drug coverage later. If you go 63 days or longer without prescription drug coverage that is at least as good as Medicare's prescription drug coverage, your monthly premium for Medicare prescription drug coverage will go up at least 1% per month for each month that you did not have coverage that is creditable to Medicare. For example, if you go nineteen months without creditable coverage and then elect Medicare, your premium for Medicare will be 19% higher than what most other people pay. You will have to pay this higher premium as long as you have Medicare prescription drug coverage. Additionally, you may have to wait until the following November to enroll.

More detailed information about your options under Medicare prescription drug coverage is in the "Medicare & You" handbook. If you are eligible for Medicare, you will receive a copy of the handbook in the mail every year from Medicare. You may also be contacted directly by Medicare prescription drug plans. You can also get more information about Medicare prescription drug plans from these places:

- Visit www.medicare.gov
- Call your State Health Insurance Assistance Program (see your copy of the Medicare & You handbook for their phone number) for personalized help,
- Call 1-800-MEDICARE (1-800-633-4227). TTY users should call 1-877-486-2048.

For people with limited income and resources, extra help paying for Medicare prescription drug coverage 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, or call them at 1-800-772-1213 (TTY 1-800-325-0778).