

UNIVERSITY HUMAN RESOURCES

NOTICE OF CREDITABLE COVERAGE**Important Notice from the University of Virginia Health Plan about
Your Prescription Drug Coverage and Medicare**

This notice **ONLY** applies to “Medicare-eligible individuals” including any active, disabled or retired employees or their dependents who are enrolled in, or in the process of enrolling in, the UVa Health Plan’s prescription drug coverage if:

- They are entitled to benefits under Medicare Part A or are enrolled in Medicare Part B; and
- They live in the service area of a Medicare Part D Plan.

The coverage you have now as a participant in the University of Virginia Health Plan is, on average for all participants (actives and retirees), at least as good as standard Medicare Part D coverage. This is called “creditable coverage.”

This letter is your Notice of Creditable Coverage. Be sure to read this notice carefully and keep it in a *safe place* where you can find it.

Below you will find some answers to questions you may have regarding creditable coverage and how it relates to Medicare Part D plans and Medicare beneficiaries. If you are not eligible for Medicare, the information below is not applicable.

What do I need to do?

To stay with your current prescription drug coverage from the UVa Health Plan, *you don’t have to do anything*. Just keep using the coverage you have now. You can still use the same pharmacy network, you’ll keep the same affordable copayments for your prescription drugs and you don’t need to go through an enrollment process. You’re already enrolled in your current plan, which provides you with coverage that is, on average, at least as good as that offered under Medicare Part D.

Why do I need to keep my notice of creditable coverage?

If you are satisfied with your prescription drug coverage from the UVa Health Plan, just keep using it as you do now. However, if you consider enrolling in one of the many Medicare Part D prescription drug plans, you may be asked for a copy of this notice. This notice will let a Medicare Part D plan know that you have creditable coverage now, and are not required to pay a late enrollment penalty, which could result in a higher premium on your new coverage. Remember, the coverage you have now through the UVa Health Plan is creditable coverage. That is, your current coverage *is*, on average, at least as good as that offered by Medicare Part D.

What if I lose my notice of creditable coverage? If you need another copy of your notice of creditable coverage, please call us at 434-924-4392. You may also write to us at:

University of Virginia Human Resources
Office of Employee Benefits
914 Emmet Street
P.O. Box 400127
Charlottesville, VA 22904-4127

Do I have to enroll in a Medicare Part D plan *now*?

No. You do not have to enroll in a Medicare Part D plan if you are satisfied with your current coverage.

If I enroll in a Medicare prescription drug plan, can I keep my prescription drug plan with the UVa Health Plan?

If you are a Medicare-eligible retiree, you cannot retain your coverage with the UVa Health Plan unless you have 3 or more dependents who are not Medicare eligible. Your coverage through the UVa Health Plan will, in most cases, terminate upon becoming Medicare eligible. You will not be able to re-enroll in the UVa Health Plan at any time in the future.

If you are a Medicare-eligible active employee, you can keep your prescription drug plan with the UVa Health Plan and enroll in a Medicare prescription drug plan. In this case, the UVa Health Plan will pay primary and Medicare will pay secondary.¹

It is important that you compare your current plan, including which drugs are covered, with the coverage and costs of Medicare Part D plans in your area before making these decisions. If you consider enrolling in a Medicare prescription drug plan, check with the University Office of Employee Benefits before you enroll.

What if I drop my coverage with the UVa Health Plan, but don't enroll in a Medicare Part D plan?

If you drop your current coverage but do not enroll in a prescription drug plan approved by Medicare after your current coverage ends, you will have to pay full price for your prescription drugs.

You may also have to pay more for Medicare prescription drug coverage later. If you go for 63 days or longer without coverage that is, on average, at least as good as Medicare's prescription drug coverage, *your monthly premium under a Medicare plan will increase at least 1% for each month that you did not have coverage. For example, if you go nineteen months without coverage, your premium will always be at least 19% higher than what many other people pay. This increase will be effective as long as you have Medicare prescription coverage. In addition, you may have to wait until the following November to enroll.*

¹ Please note that plans cannot drop coverage of their active employees who enroll in Part D. Doing so would be a violation of the Medicare Secondary Payer (MSP) rules.

If I keep my current coverage with the UVa Health Plan, can I enroll in a Medicare Part D plan later?

Yes. You will have the opportunity to enroll in a Medicare Part D prescription drug plan every year from November 15 to December 31. *However, if you decide you want to enroll in a Medicare Part D prescription drug plan after December 31, be sure you're covered under your current plan until your Medicare Part D coverage becomes effective.* If you choose to enroll in a Medicare Part D plan without having creditable coverage with another plan like this one, you may have to pay an increased premium, as explained above.

How can I get more information?

You will receive a copy of the Medicare handbook "Medicare & You" from Medicare. This book contains more detailed information about Medicare plans that offer prescription drug coverage.

If you would like more information, you can find it by:

- Visiting www.medicare.gov.
- Calling your State Health Insurance Assistance Program (see your copy of the "Medicare & You" handbook for their telephone number).
- Calling 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 a Medicare prescription drug plan is available. For more information about this extra help, visit the Social Security Administration Web site at www.socialsecurity.gov, or call them at 1-800-772-1213. TTY users should call 1-800-325-0778.

Be sure to keep this notice. You may be asked for a copy of this notice if you enroll in one of the new prescription drug plans approved by Medicare. This notice will let your new plan know that you are not required to pay a higher premium amount.

As in all cases, the UVa Health Plan reserves the right to modify benefits at any time, in accordance with applicable law.