

December 2008

**Attention:** USNH adjunct faculty/staff and your spouses, civil union spouses, same-sex domestic partners and dependents who are Medicare-eligible (or will become Medicare-eligible in the next 12 months) who currently have insurance coverage through USNH.

**RE: Medicare Prescription Drug Plan Creditable Coverage Notice**

**You do not need to read any further if you are under age 65 (and will not become eligible for Medicare in the next 12 months) and/or you do not have a spouse/civil union spouse/same sex domestic partner or dependent who is Medicare-eligible (or will become Medicare-eligible in the next 12 months).**

This memo provides information on the voluntary Medicare Prescription Drug Plan that went into effect on January 1, 2006, for individuals eligible for Medicare.

**Important:** This letter is acting as your notice that the prescription drug coverage offered by USNH to USNH adjunct faculty/staff and their spouses/civil union spouses/same sex domestic partners or dependents who are Medicare-eligible (or will become Medicare-eligible in the next 12 months) is *creditable* coverage, which means that the USNH plan will pay out at least as much as the standard Medicare Prescription Drug Plan will pay. Please read this letter carefully and keep it in a safe place. The information is provided to help explain your options and facilitate your decision about whether or not you want to enroll in the Medicare Prescription Drug Plan during your initial enrollment period. If you enrolled in the Medicare Prescription Drug Plan after May 15, 2006, during a subsequent open enrollment, you may need to provide a copy of this memo to show you are not required to pay a higher premium amount.\*

If you currently are a member of a USNH medical plan, there may be no need for you to enroll in the Medicare Prescription Drug Plan at this time. The prescription drug benefits provided by our medical plan options have been determined to provide creditable coverage, or coverage that is at least as good as (actually better than) Medicare prescription coverage. We recommend that you contact Medicare for guidance.

**Issue to Consider**

As you think about your prescription drug needs for the coming year, and look at the plans that are available to you, please keep this in mind:

**Since you have creditable coverage at USNH, you may elect to continue in your current medical plan and, in most cases, will not be subject to a penalty/higher premium to join the Medicare Prescription Drug Plan at a later date.\***

To help you better understand the Medicare Prescription Drug Plan, please refer to the *Questions & Answers* on the reverse side of this memo.

\*COBRA participants and any spouses/civil union spouses/same-sex domestic partners or dependents should contact Medicare to see when they need to enroll in a Medicare Prescription Drug Plan to avoid a late entrant penalty/higher premium.

## Questions & Answers

Here are some questions and answers to help you better understand the Medicare Prescription Drug Plan.

### What is Medicare prescription drug coverage?

On January 1, 2006, a prescription drug benefit was made available to everyone eligible for Medicare. This new benefit is provided through private companies that have been approved by Medicare to administer this prescription drug benefit. To be approved, each company must offer coverage that is at least as good as the standard (minimum) Medicare drug coverage. The drug plans may vary in what prescription drugs are covered, how much you have to pay and which pharmacies you can use. Some plans may offer enhanced prescription drug benefits at an additional monthly cost. There will be a monthly premium to join the Medicare Prescription Drug Plan and receive the standard coverage. (The premium will vary by state; in NH, ME, and MA it is estimated to range from \$15 to \$100.) This premium is in addition to your Medicare Part B premiums.

Note: People with annual resources of less than \$11,990 (single) or \$23,970 (married) may be eligible for extra help to pay their premiums. The annual resources figures may change in early 2009. For details, you may contact Social Security at [www.socialsecurity.gov](http://www.socialsecurity.gov) or 1-800-772-1213 (TTY users 1-800-325-0778).

### What does standard Medicare coverage provide?

For plan years that end in 2009, *standard coverage* means you pay the first \$295 of your prescription drug costs- this is called your deductible. Once the deductible is met, you pay:

- 25% of your drug costs from \$295, up to \$2,700 (or \$601.25);
- 100% of the next \$3,453.75 in drug costs; then
- 5% of your drug costs for the rest of the calendar year after you have met the \$4,350 out-of-pocket limit (\$295 deductible + \$601.25 copayment or coinsurance + \$3,453.75 totals \$4,350).

### What drugs are covered under the plans?

Both generic and brand-name drugs are covered by the Medicare Prescription Drug Plans. Each plan, however, may have a different *formulary* (the list of drugs covered by the plan). Each formulary must meet Medicare's requirements and must offer at least two drugs in every drug category. If your doctor thinks you need a drug that is not on the formulary of your plan, you can apply for an exception.

### How do I find out if my drugs are covered?

You should make a list of your current medications (name, dosage, frequency, and monthly costs). Then call the plans you are interested in or visit their websites. You may also visit [www.medicare.gov](http://www.medicare.gov) to enter your list of drugs and compare the various plans available in your state.

### When can I join?

You can join a Medicare drug plan from three months before you turn 65 to three months after you turn 65 (called your Initial Enrollment Period). Generally, if you are disabled, you can join three months before and three months after your 25<sup>th</sup> month on disability. Thereafter, the enrollment period to join or change plans is from November 15 to December 31 each year for coverage that starts on the next January 1. The first enrollment period for the Medicare Prescription Drug Program was from November 15, 2005 to May 15, 2006. If you were eligible and didn't join by May 15, 2006, and you didn't have a drug plan that, on average, covered at least as much as the standard Medicare plan, you had to wait until a later enrollment period (annually November 15 to December 31) to join. Upon enrollment, your premium increased by at least 1% per month for every month that you waited to join. This late entrant penalty will apply as long as you have Medicare prescription drug coverage.

### Can I join in the middle of a year?

When you are no longer eligible to be covered under a USNH medical plan and will not have creditable coverage elsewhere, you should consider joining the Medicare Prescription Drug Plan. As long as you enroll in a Medicare Prescription Drug Plan within 63 days of losing creditable coverage, you will not be subject to a late-entrant penalty/higher premium cost.

### Where do I go to learn more?

- Visit [www.medicare.gov](http://www.medicare.gov).
- Call 1-800-Medicare (1-800-633-4227); TTY users call 1-877-486-2048.
- Call your State Health Insurance Assistance Program (see the "Medicare & You" handbook for their telephone number) for personalized help. New Hampshire residents may call the Service Link Resource Center toll-free at 1-866-634-9412 or visit them at [www.servicelink.org](http://www.servicelink.org).

When online or on the phone, you can request a copy of the booklet "Your Guide to Medicare Prescription Drug Coverage" which describes the program in detail.

### For more information

For more information about this notice or to request an additional copy, contact:

Jan Rene, Employee Benefits Representative  
USNH - Dunlap Center  
25 Concord Road  
Durham, NH 03824  
[jan.rene@usnh.edu](mailto:jan.rene@usnh.edu)  
603-862-0930

NOTE: You may receive this notice at other times in the future, such as before the next enrollment period for Medicare prescription drug coverage or in advance of any coverage changes. You may also request a copy at any time.