*Medicare Part D Prescription Drug Coverage*

*Employees, their spouses and other dependents who will be or currently are 65 years old or older within the next year- PLEASE READ*

If you or any of your dependents is Medicare Part D eligible and considering enrolling in the «Company\_Name» Prescription Drug Coverage, please read this notice carefully and keep it where you can find it. This notice has information about your current prescription drug coverage with «Company\_Name» 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:***

**1.** Medicare prescription drug coverage became available in 2006 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.** «Company\_Name» has determined that the prescription drug coverage offered by the «Carrier» is, on average for all plan participants, expected to pay out as much as standard Medicare prescription drug coverage pays 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.

***The information on the following page will help you better understand how and when you can join a Medicare Drug Plan if you so choose.***

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Joining a Medicare Drug Plan-

You can join a Medicare drug plan when you first become eligible for Medicare and each year from OCTOBER 15th until DECEMBER 7th.

However, if you lose your current creditable prescription drug coverage, through no fault of your own, you will also be eligible for a two (2) month Special enrollment Period (SEP) to join a Medicare drug plan.

**Your Current Coverage and a Medicare Drug Plan-**

If you decide to join a Medicare drug plan, your current «Company\_Name» coverage will not be affected. Please see your Summary of Benefits plan description for more detail to compare the plan provisions/options between your current «Company\_Name» plan and the Medicare Part D coverage. You may also contact the Human Resources Department for more information and answers to your questions.

If you decide to join a Medicare drug plan and drop your «Company\_Name» coverage, be aware that you and your dependents may or may not be able to get this coverage back, see your Summary of Benefits plan description for verification.

**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 with «Company\_Name» and don’t join a Medicare drug plan within 63 continuous days after your current coverage ends, you may pay a higher premium (a Penalty) to join a Medicare drug plan later.

If you go 63 continuous days or longer without creditable prescription drug coverage, your monthly premium may go up by at least 1% of the Medicare base 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 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.