

Important Notice
From the Pennsylvania State System of Higher Education (PASSHE)
About Prescription Drug Coverage and Medicare D

For Active Employees and/or Dependents who are
Eligible for Medicare and Enrolled in the
PASSHE Active Employee Group Health Care Program

You and your dependents have primary coverage under the PASSHE Group Health Program. For this reason if you and/or any of your dependents become eligible to enroll in Medicare, you do not need to enroll in Medicare's prescription plan (Medicare D) while you have this active coverage. Please read this notice carefully and keep it with your other important papers. This notice has information about your current prescription drug coverage with PASSHE's Group Health Care Program and prescription drug coverage available for people with Medicare. It also tells you where to find more information to help you make decisions about your prescription drug coverage.

There are three 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. You already have prescription drug coverage if you elect coverage through the PASSHE's Group Health Care Program. PASSHE has determined that your prescription drug coverage offered under the Group Health Program through Highmark Blue Shield is expected to pay out, on average for all plan participants, as much as the standard Medicare prescription drug coverage will pay.
3. Since you already have prescription drug coverage, you do not need to enroll in the Medicare prescription drug plan (Medicare D). Enrollment in the Medicare prescription drug plan will cost you an additional monthly premium and for the most part will duplicate coverage you already have but will not improve coverage.

Because your current prescription coverage with PASSHE's Group Health Program through Highmark Blue Shield is on average at least as good as standard Medicare prescription drug coverage, you can continue your current coverage and not pay extra if you later decide to enroll in Medicare prescription drug coverage.

When Can You Join A Medicare Drug Plan?

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. However, because you have existing prescription drug coverage that, on average, is as good as Medicare coverage, you can choose not to enroll now and you will still have the option to join a Medicare prescription drug plan later and not pay extra. However, if you lose your

current 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.

When Will You Pay A Higher Premium (Penalty) To Join A Medicare Drug Plan?

You also should know that if you cancel or lose your coverage with the PASSHE's Group Health Program and do not enroll in Medicare prescription drug coverage after your current coverage ends, you may pay more to enroll in Medicare prescription drug coverage later. If you go 63 days or longer without prescription drug coverage, your monthly premium will go up at least 1% per month for every month that you did not have that coverage. For example, if you go nineteen months without coverage, your premium will always be at least 19% higher than what most other people pay. You may have to pay this higher premium as long as you have Medicare prescription drug coverage. In addition, you may have to wait until the next November to enroll.

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

If you decide to join a Medicare drug plan, your current PASSHE Group Health Plan coverage will not be affected and you and your dependents will be able to get this coverage back.

For more information about this notice or your current prescription drug coverage, you may contact the PASSHE's Office of the Chancellor at (717) 720-4160 or your university human resources office.

NOTE: You may receive this notice at other times in the future such as before the next open enrollment period or when you can enroll in the Medicare prescription drug coverage or when changes occur in your current coverage. You also may request a copy at any time.

For more information about your options under Medicare prescription drug coverage.....

You can also receive 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 Medicare & You for their telephone 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 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, or call them at 1-800-772-1213 (TTY 1-800-325-0779).

Remember: Keep this Creditable Coverage notice. If you decide to join one of the Medicare drug plans, you may be required to provide a copy of this notice when you join 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).

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