

Important Notice

From the Pennsylvania State System of Higher Education (PASSHE) About Your Prescription Drug Coverage and Medicare For Active Employees and/or Dependents Eligible for Medicare

Please read this notice carefully and keep it where you can find it. This notice has information about your current prescription drug coverage under the PASSHE Active Employee Group Health Program and about your options under Medicare's prescription drug coverage (Medicare Plan D) should you or any of your dependents become eligible to enroll in a Medicare prescription drug plan. 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. You already have prescription drug coverage if you elect coverage through the PASSHE's Group Health 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 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.

When Can You Join A Medicare Drug Plan?

You can join a Medicare drug plan when you first become eligible for Medicare and each year from October 15th through December 7th. 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 Care Program and do not enroll in Medicare drug plan 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 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 what most other people pay. 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 next October 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 and keep your current PASSHE Group Health Plan coverage this coverage will coordinate with your Medicare Part D drug plan. Guidance for Medicare Part D eligible individuals is available at <http://www.cms.hhs.gov/CreditableCoverage>.

If you do decide to join a Medicare drug plan and drop your PASSHE Active Employee Group Health Plan, you and your dependents may or may not be able to regain PASSHE Active Employee Group Health Plan coverage.

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.

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

You will get this notice each year. You will also get it before the next period you can join a Medicare drug plan, and if this coverage through the PASSHE Group Health Plan changes. You also may request a copy of this notice at any time.

More detailed information about Medicare plans that offer prescription drug coverage is in the "Medicare & You" handbook. You'll get a copy of the handbook in the mail every year if you are enrolled in Medicare. You may also be contacted directly by Medicare drug plans.

Information about Medicare prescription drug coverage is also available by:

- Visiting www.medicare.gov
- Calling your State Health Insurance Assistance Program (see your copy of Medicare & You for their telephone number) for personalized help.
- 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. 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).

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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Pennsylvania State System of Higher Education
System Human Resources – Benefit Administration
2986 North Second Street
Harrisburg, PA 17110
www.passhe.edu
(717) 720-4160

