

Important Notice from Franklin & Marshall College About Your Prescription Drug Coverage and Medicare

Date: October 19, 2009
To: Medicare-eligible Employees, Retirees, and Dependents
Name of Entity/Sender & Contact: Franklin & Marshall College, Human Resources Office
Address/Phone Number: P.O. Box 3003, PA 17604-3003, (717) 291-3995

Medicare Prescription Drug Creditable Coverage Disclosure Notice; Important Notice From Franklin & Marshall College About Your Prescription Drug Coverage and Medicare

Please read this Notice carefully and keep it where you can find it. This Notice has information about current prescription drug coverage through Franklin & Marshall College and prescription drug coverage available for individuals with Medicare coverage. It also explains the options you have under Medicare prescription drug coverage and can help you decide whether or not to enroll in a Medicare prescription drug plan. If you are considering enrolling in a Medicare prescription drug plan, 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. At the end of this Notice is information about where you can get help to make decisions about your prescription drug coverage.

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 health coverage. 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. Franklin & Marshall College has determined that the prescription drug coverage offered through the College's Group Health Insurance and Prescription Drug Plan is, on average for all plan participants, expected to pay out as much as the standard Medicare prescription drug coverage will pay and is considered "Creditable Coverage".

Because your existing coverage through the Franklin & Marshall prescription drug plan is on average at least as good as standard Medicare prescription drug coverage ("Creditable Coverage"), you can keep this coverage as long as you are eligible for coverage through the Franklin & Marshall College Group Health Insurance and Prescription Drug Plan. You will not pay a higher premium (a penalty) 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 15 through December 31. However, if you lose other “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 Part D Medicare prescription plan.

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

If you are retired and enroll in both the Franklin & Marshall Group Health Insurance and Prescription Drug plan and a Medicare-approved prescription drug plan, the College’s plan will be the secondary payment provider. You will pay the applicable monthly Medicare premium plus the premium required to be covered through the College’s plan. Please contact Franklin & Marshall’s Human Resources office, at (717) 291-3995, if you would like more information about what happens to your coverage if you enroll in a Medicare prescription drug plan.

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. **If you do decide to enroll in a Medicare prescription drug plan and drop your Franklin & Marshall prescription drug coverage, be aware that you and your dependent(s) may not be able to enroll again in the Franklin & Marshall Group Health Insurance and Prescription Drug Plan until the next Open Enrollment period, with coverage effective the following January 1.** To re-enroll in the College’s plan, you must complete and submit an enrollment form to Human Resources, Franklin & Marshall College, in a timely manner.

Please note, if you terminate your prescription coverage through the Franklin & Marshall Group Health Insurance and Prescription Drug Plan, you and your dependents will no longer be eligible for any hospitalization, medical, vision, or prescription drug coverage through the College. You may, however, re-enroll in the Franklin & Marshall Group Health Insurance and Prescription Drug Plan during any Open Enrollment period, with coverage effective the next January 1, providing you and your dependents remain eligible for such coverage.

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 through the Franklin & Marshall Group Health Insurance and Prescription Drug Plan and do not 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 prescription drug coverage that is at least as good as Medicare’s prescription drug coverage, your monthly premium will go up 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 19 months without coverage, your premium will always be at least 19% higher than what many other people pay. You’ll have to pay this higher premium as long as you have Medicare prescription drug coverage. In addition, you may have to wait until the following November to enroll.

For more information about this Notice or your current prescription drug coverage:

Please contact the Franklin & Marshall Human Resources office at (717) 291-3995 if you would like more information. You will receive detailed information about health and prescription coverage for 2010 during the College's annual Open Enrollment period which begins in November. Note: You will receive this Notice annually and at other times in the future such as before the next period you can enroll in Medicare prescription drug coverage, and if prescription drug coverage through Franklin & Marshall changes. You also may request a copy from the Human Resources office at any time.

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

More detailed information about Medicare plans that offer prescription drug coverage is available in the *Medicare & You* handbook. You will receive a copy of this handbook in the mail every year from Medicare. You may also be contacted directly by Medicare prescription drug plans. For more information about Medicare prescription drug plans:

- Visit www.medicare.gov
- Call your state Health Insurance Assistance Program (see your copy of the *Medicare & You* handbook for their telephone number)
- Call 1-800-MEDICARE - (800) 633-4227. TTY users should call (877) 486-2048.

For people with limited income and resources, extra help paying for Medicare prescription drug coverage is available. Information about this extra help is available from the Social Security Administration, (800) 772-1213 (TTY (800) 325-0778), www.socialsecurity.gov.

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 whether or not you are required to pay a higher premium (a penalty).