



October 8, 2012

Notice of Creditable Coverage

Important Notice from the Board of Regents of the University System of Georgia Regarding Your Prescription Drug Coverage and Medicare

Please read this notice carefully and keep it where you can find it. This notice has information about your current prescription drug coverage with the University System of Georgia for the 2012 plan year and your options under Medicare's 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. You can get this coverage if you join a Medicare Prescription Drug Plan or join a Medicare Advantage Plan 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. Your prescription drug coverage through a University System of Georgia health care plan has been determined, 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 join a Medicare drug plan.**

Please note: The University System of Georgia is making changes to its retiree prescription drug coverage under the Open Access POS plan in 2013. If you are enrolled in this plan as a Medicare eligible retiree, you will be automatically enrolled in the Express Scripts Medicare Part D plan as part of your University System of Georgia health care coverage. You will receive more information about this change in the coming weeks. In the meantime, this letter gives you information about Medicare Part D Prescription Drug coverage and your 2012 Medicare Part D Creditable Coverage.

Provided below are some questions and answers that you may have regarding Creditable coverage and how it relates to Medicare Part D plans.

Why do I need to keep my notice of Creditable coverage?

If you are satisfied with your prescription drug coverage offered by the Board of Regents of the University System of Georgia, please continue to utilize this plan as you do now. However, if you consider and/or you elect to enroll in one of the many Medicare Part D prescription drug plans, you may be asked for a copy of this notice of Creditable coverage.

This notice will let a Medicare Part D plan know that you have Creditable coverage now, and that you are not required to pay a late enrollment penalty which could result in a higher premium for you to pay to access this new coverage. Please remember that the coverage that you currently have with the Board of Regents of the University System of Georgia is, on average, at least as good as the coverage that is offered by a Medicare Part D plan.

What if I lose my notice of Creditable coverage?

If you need another copy of your notice of Creditable coverage, please call University System of Georgia Shared Service Center toll free at 1-855-214-2644. You may also write your campus Human Resources department.

When can I 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 to December 7th.

If you decide that you wish to enroll in a Medicare Part D prescription drug plan after December 7, please ensure that you remain covered under the Board of Regents prescription drug plan until your Medicare Part D coverage becomes effective.

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.

What Happens to my Current Coverage if I Decide to Join A Medicare Drug Plan?

In 2013, retirees enrolled in the Open Access POS plan will be automatically enrolled in a Medicare approved Part D plan through Express Scripts as part of their pharmacy coverage and will not have the option to enroll in another Medicare Part D drug plan. You will be receiving more information in the mail about this enrollment and you will be given a 21-day window to notify the University System of Georgia if you do not want to be enrolled in the Express Scripts Medicare Part D coverage.

If you waive coverage in the Express Scripts Medicare Part D coverage, you will have the option to enroll in the HSA Open Access POS plan, the Kaiser Sr. Advantage plan or waive retiree health coverage through the University System of Georgia. If you enroll in the HSA Open Access POS plan, you may enroll in a Medicare Part D plan and the Medicare Part D benefits will coordinate with the HSA Open Access POS plan pharmacy benefits.

Remember: If you drop your retiree health coverage through the University System of Georgia, you will not be allowed to re-enroll in coverage.

If I decide to enroll in a Medicare Part D plan, but I discover that I do not like that Medicare Part D plan; can I go back to my old plan with the Board of Regents?

If you enroll in the HSA Open Access POS plan AND enroll in a Medicare Part D plan, at any time in the future, you may drop your coverage in the Medicare Part D plan and remain covered under the University System of Georgia HSA Open Access POS healthcare plan.

Kaiser Permanente is currently the only Board of Regents HMO healthcare plan that offers coverage to Medicare-eligible employees. You cannot enroll in the Kaiser Permanente HMO Senior Advantage option, a Medicare Advantage plan, and a Medicare Part D prescription drug plan at the same time. If you are a participant in the Kaiser Permanente HMO Senior Advantage option and you enroll in a Medicare Part D prescription drug plan, you will be dropped from the HMO altogether.

It is important that you compare the Plan Year 2013 Board of Regents prescription drug plan, including which drugs are covered, with the coverage and costs of Medicare Part D plans for your area.

Will I have to pay a Higher Premium (Penalty) to Join a Medicare Drug Plan?

If you choose to enroll in a Medicare Part D plan without having Creditable coverage with another plan like the one offered by the Board of Regents, you may be required to pay an increased premium. You should know that if you drop or lose your current coverage with the Board of Regents 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.

How can I get more information?

You will receive a copy of the handbook "Medicare & You" from the federal Centers for Medicare and Medicaid Services (CMS). This book contains more detailed information about Medicare plans that offer prescription drug coverage.

If you would like more information, you may:

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

For individuals with limited income and resources, extra help paying for a Medicare prescription drug plan is available. For more information about this extra help, please visit the Social Security Administration website at www.socialsecurity.gov or call 1-800-772-1213. TTY users should call 1-800-325-0778.

Remember: Be sure to keep this notice, since you may be asked for a copy of this notice if you enroll in one of the new prescription drug plans approved by Medicare after May 15, 2006. This notice will inform your new plan that you are not required to pay a higher premium amount.

For more information about this notice or your current prescription drug coverage, contact University System of Georgia Shared Service Center toll free at 1-855-214-2644, **your institution's Human Resources office** or the Board of Regents for further information.

NOTE: 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 University System of Georgia changes. You may also request a copy of this notice at any time.

Sincerely,

Tom Scheer
Associate Vice Chancellor for Life and Health Benefits
Board of Regents of the University System of Georgia