

Important Notice About Your Prescription Drug Coverage and Medicare Creditable Coverage and Change in Election Period

If you or a covered family member are, or will soon become, Medicare-eligible, please read this notice carefully and keep it in your files for future reference.

This notice explains your options regarding Medicare Part D. It can also help you decide whether or not you want to enroll in Medicare prescription drug coverage.

1. Medicare prescription drug plans offer prescription drug coverage to everyone with Medicare.

All Medicare prescription drug plans will provide at least a standard level of coverage set by Medicare. Some plans might also offer more coverage for a higher monthly premium.

2. Your existing coverage is as good as standard Medicare prescription drug coverage.

Because your existing prescription drug coverage is as good as standard Medicare coverage, you can keep this coverage and not pay a higher premium (penalty) if you later decide to join a Medicare drug plan.

3. You may enroll in a Medicare prescription drug plan during your initial enrollment period, a special enrollment period, or during the annual coordinated election period.

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. Therefore, you may enroll in a Medicare prescription drug plan within 60 days of becoming eligible for Medicare (initial enrollment period) or within 63 continuous days of involuntarily losing creditable prescription drug coverage (a special enrollment period) without penalty. You may also enroll between October 15 and December 7 (the annual coordinated election period) by paying a higher premium than you would have if you had enrolled during the initial or special enrollment periods.

4. You may enroll in a Medicare prescription drug plan and remain covered under your group health plan.

Your current coverage pays for other health expenses in addition to prescription drugs. You will still be eligible to receive all of your current health and prescription benefits if you choose to enroll in a Medicare prescription drug plan. The two plans combined will never pay more than 100% of your prescription drug costs. You should compare your current coverage with Medicare prescription drug coverage in your area. The cost of the plans and which drugs are covered should be taken into consideration.

5. If there is a lapse in your prescription drug coverage, you may pay more to enroll in Medicare later.

There may be consequences if you drop or lose your coverage under the group health plan and don't enroll in Medicare prescription drug coverage when your current coverage ends. If this happens, you may pay more to enroll in Medicare prescription later. If you go 63 continuous days or longer without prescription drug coverage that is at least as good as Medicare's, your monthly premium will go up at least 1% per month for every month that you did not have 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'll have to pay this higher premium as long as you have Medicare coverage. In addition, you may have to wait until the following October to enroll.

6. Financial Assistance

For people with limited incomes and resources, extra help paying for a Medicare prescription drug plan is available. For more information about this assistance, visit the Social Security Administration Web site at www.socialsecurity.gov, or call them toll-free at (800) 772-1213 (TTY 800-325-0778).

7. More Information

For more information about this notice or your current prescription drug coverage, contact your group plan administrator as indicated below.

More detailed information about Medicare plans that offer prescription drug coverage is available in the *Medicare and You* handbook. Medicare will mail a copy of the handbook to you. They may also contact you directly regarding their prescription drug plans. You can find additional information about Medicare prescription drug plans the following ways:

- Visit the Medicare Web site at www.medicare.gov for personalized help.
- Call Medicare toll-free at (800) MEDICARE (800-633-4227). TTY users should call (877) 486-2048.
- Call your State Health Insurance Assistance Program. (See the inside back cover of *Medicare & You* handbook for their telephone number.)

It is important to keep this notice. If you enroll in one of the new Medicare plans, you may need to provide a copy of this notice to verify that you are not required to pay a higher premium amount.

Name of Plan Sponsor (employer):	
Name of Administrator:	PacificSource Administrators, Inc.
Address:	
Phone Number:	