

## Important Notice from Murray State University 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 your current prescription drug coverage with Murray State University and about your options under Medicare's prescription drug coverage.

This information can help you decide whether or not you want to join a Medicare drug plan. If you are considering joining, 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. 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:

- ◆ 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.
- ◆ Murray State University has determined that the prescription drug coverage offered by Anthem Blue Cross and Blue Shield and Express Scripts are, 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 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 also be eligible for a two (2) month Special Enrollment Period (SEP) to join a Medicare drug plan.

**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 Murray State University coverage will not be affected. Murray State University's prescription drug co-pays range from \$20-\$80 on the PPO plan and coinsurance of 20%-30% after deductible on HDHP plans. Murray State University's prescription drug co-insurance for the HDHP pays at 70% after the annual deductible. Benefits under the Anthem and Express Scripts prescription drug plans and Medicare Part D prescription drug plan would not be duplicated.

2 See pages 7- 9 of the CMS Disclosure of Creditable Coverage to Medicare Part D Eligible Individuals Guidance (available at [www.cms.hhs.gov/CreditableCoverage](http://www.cms.hhs.gov/CreditableCoverage)), which outlines the prescription drug plan provisions/ options that Medicare eligible individuals may have available when you become eligible for Medicare Part D.

If you do decide to join a Medicare drug plan and drop your current Murray State University coverage, be aware that you and your dependents will not be able to get this coverage back until the next open enrollment period.

### **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 with Murray State University 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.

### **For More Information about This Notice or Your Current Prescription Drug Coverage**

Contact Human Resources for further information at 270.809.2146.

NOTE: You'll 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 Murray State University changes. You also may request a copy of this notice 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 in the "Medicare & You" handbook. You'll get a copy of the handbook in the mail every year from Medicare. You may also be contacted directly by Medicare drug plans.

For more information about Medicare prescription drug coverage:

- ◆ Visit [www.medicare.gov](http://www.medicare.gov)
- ◆ Call your State Health Insurance Assistance Program (see the inside back cover of your copy of the "Medicare & You" handbook for their telephone number) for personalized help
- ◆ Call 1.800.MEDICARE (1.800.633.4227). TTY users should call 1.877.486.2048.

If you have limited income and resources, extra help paying for Medicare prescription drug coverage is available. For information about this extra help, visit Social Security on the web at [www.socialsecurity.gov](http://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).

**Date:** October 14, 2016

**Name of Entity/Sender:** Murray State University

**Contact:** Human Resources Benefit Department

**Human Resources Office Address:** 412 Sparks Hall, Murray, KY 42071

**Phone Number:** 270.809.2146

*This document is intended to provide a general overview of benefits available to employees of Murray State University. Detailed benefit information is contained in official plan documents in the Human Resources Office. Due to changing business conditions, Federal and State Law, and organizational needs, benefits are subject to change without notice. Nothing in this document should be considered as a contract or guarantee of participation in any benefit program. Although much effort has been made to ensure accuracy of this document, unintended errors or omissions may have occurred. Murray State University endorses the intent of all federal and state laws created to prohibit discrimination. Murray State University does not discriminate on the basis of race, color, national origin, gender, sexual orientation, religion, age, veteran status, or disability in employment, admissions, or the provision of services and provides, upon request, reasonable accommodation including auxiliary aids and services necessary to afford individuals with disabilities equal access to participate in all programs and activities. For more information, contact the Executive Director of Institutional Diversity, Equity and Access, 103 Wells Hall, 270.809.3155 (voice), 270.809.3361 (TDD).*