



MEDICARE PART D CREDITABLE COVERAGE NOTICE

Dear Muhlenberg College Plan Participant:

If you or a covered dependent are eligible for Medicare (either because you are at least age 65 or because of a disability), **THIS LETTER AND THE ATTACHED CERTIFICATE ARE OF CRITICAL IMPORTANCE TO YOU.**

IF NEITHER YOU NOR ANY COVERED DEPENDENT ARE MEDICARE-ELIGIBLE, YOU MAY DISREGARD THIS LETTER AND THE ATTACHED CERTIFICATE, AS THEY DO NOT DIRECTLY APPLY TO YOU.

On January 1, 2011, our plan of benefits provides prescription drug coverage equal to or greater than the standard Medicare Part D program, as defined by the Federal Government. This means that if you remain covered by our plan of benefits, you will not be subject to a financial penalty should you later choose to enroll in a qualified Medicare Part D program.

The attached Certificate of Creditable Coverage will serve as written documentation of the fact that our plan's coverage meets the appropriate requirements. Please retain this document in your records. We will issue Certificates each year to advise you of the continuing status of our plan. This is being done to protect all Medicare-eligible individuals from having to pay the late enrollment penalty if they later enroll in an approved Medicare Part D program.

If you have any questions or concerns, please contact me.

Sincerely,

Anne Speck
Vice President, Human Resources

Enclosures

Creditable Coverage Disclosure Notice

Important Notice from Muhlenberg 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 your current prescription drug coverage with Muhlenberg College 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:

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. Muhlenberg College has determined that the prescription drug coverage offered by Medco is, on average for all plan participants, expected to pay out 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 to 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 Muhlenberg College coverage will not be affected. The prescription drug coverage that is offered through Muhlenberg College does not have an annual deductible. Participants are responsible for co-payments that vary by the drug type and whether the prescription is filled at a retail pharmacy or through mail order. For prescriptions obtained at a participating retail pharmacy (up to a 31-day supply) the co-payments are: \$10 for Generic Drugs, \$25 for Brand-Name Formulary Drugs, and \$40 for Brand-Name Non-Formulary Drugs. For prescriptions obtained through mail order (up to a 90-day supply) the co-payments are: \$20 for Generic Drugs, \$50 for Brand-Name Formulary Drugs, and \$80 for Brand-Name Non-Formulary Drugs. With this plan, you DO NOT need to enroll in a Medicare Part D plan.

If you do decide to join a Medicare drug plan and drop your current Muhlenberg College coverage, be aware that you and your dependents will not be able to get this coverage back.

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 coverage with Muhlenberg College 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 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 November to join.

For More Information About This Notice Or Your Current Prescription Drug Coverage...

Contact the person listed below for further information. **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 Muhlenberg College 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
- 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, 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 not required to pay a higher premium (a penalty).

Date: 10/11/2011
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