

University of Chicago
Benefits Office
6054 S. Drexel
Chicago, IL 60637

November 1, 2009

Important Notice from the University of Chicago About Your Prescription Drug Coverage and Medicare

The University of Chicago is required to provide this Creditable Coverage Disclosure Notice to Medicare Part D-eligible individuals. **Eligible individuals are those who:**

- are 65 years of age or older; or
- are covered by Medicare Part A or Part B; or
- have end-stage renal disease.

The University of Chicago determined that the prescription drug coverage offered by the University of Chicago medical plans for active and retired employees 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 is on average at least as good as standard Medicare prescription drug coverage, you can keep this coverage and not pay extra if you decide later to enroll in Medicare prescription drug coverage.

- 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.
- Beneficiaries leaving employer/union coverage may be eligible for a Special Enrollment Period to sign up for a Medicare prescription drug plan.

Compare your current coverage, including which drugs are covered, with the coverage and cost of the plans offering Medicare prescription drug coverage in your area. If you decide to enroll in a Medicare prescription drug plan and drop your University of Chicago prescription drug coverage, you will no longer be covered for either prescription drug benefits or medical benefits through the University of Chicago.

- If you are an active employee, you may have to wait until the next annual Open Enrollment for benefits to enroll in a University of Chicago medical plan.
- If you are a retired employee, you may re-enroll at any time in the University of Chicago Retiree Medical Plan.

If you enroll in a Medicare prescription drug plan as an active employee or a dependent of an active employee and keep your University of Chicago prescription drug coverage, your University of Chicago coverage generally will be your primary coverage. You will pay the Medicare Part D premium (if any) - there will be limited or no benefits payable through the Medicare Part D coverage.

Contact the Benefits Office at 773-702-9634 for more information about what happens to your coverage if you enroll in a Medicare prescription drug plan.

If you drop or lose your coverage with the University of Chicago and don't enroll in Medicare prescription drug coverage after your current coverage ends, you may pay more (a penalty) to enroll in Medicare prescription drug coverage later.

If you go 63 days or longer without prescription drug coverage that's at least as good as Medicare's prescription drug coverage, your monthly premium will go up at least 1% 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.

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 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) for personalized help; or
- call 1-800-MEDICARE (1-800-633-4227). TTY users should call 1-877-486-2048.

For people with limited income and resources, extra help paying for Medicare prescription drug coverage is available. Contact the Social Security Administration (SSA) by phone (800-772-1213) or (TTY 800-325-0778) or by visiting at www.socialsecurity.gov.

Remember: Keep this notice. If you enroll in one of the new plans approved by Medicare that offer prescription drug coverage, you may be required to provide a copy of this notice when you join to show that you are not required to pay a higher premium amount.