

Important Notice from Goshen 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 Goshen College and about your options under Medicare's prescription drug coverage. This information can help you decide whether or not you want to enroll in a Medicare prescription drug plan. If you are considering enrolling, you should compare your current coverage (including which drugs are covered and at what cost) with the coverage and costs of the Medicare prescription drug plans 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 enroll in a Medicare prescription drug plan or Medicare Advantage plan (like an HMO or PPO) that offers prescription drug coverage. All Medicare prescription drug plans provide at least a standard of coverage set by Medicare. Some plans may also offer more coverage for a higher monthly premium.**
- 2. Goshen College has determined that the prescription drug coverage offered by the Mennonite Educators Benefit Plan is, on average for all plan participants, expected to pay out as much as standard Medicare prescription drug coverage pays. Therefore, your coverage is considered creditable coverage. Because of this, you can keep this coverage and not pay a higher premium (penalty) if you later decide to enroll in a Medicare prescription drug plan.**

When can you enroll in a Medicare prescription drug plan?

You may enroll in a Medicare prescription drug plan when you first become eligible for Medicare and each year from Oct. 15 through Dec. 7.

However, if you lose your current creditable prescription drug coverage – through no fault of your own – you will also be eligible for a two month Special Enrollment Period to join a Medicare prescription drug plan.

When will you pay a higher premium (penalty) to enroll in a Medicare prescription drug plan?

If you drop or lose your current coverage with Goshen College, and don't enroll in a Medicare prescription drug plan within 63 continuous days after your current coverage ends, you may pay a higher premium (penalty) to enroll in a Medicare prescription drug plan later.

Federal law requires that you pay more for Medicare prescription drug coverage if you go 63 continuous days or longer (starting with the end of the last month that you were first eligible to enroll in a Medicare prescription drug plan but did not enroll) without prescription drug coverage that is creditable. Your monthly premium may go up by at least 1 percent of

the Medicare base beneficiary premium per month for every month after your initial enrollment period that you did not have creditable coverage. For example, if you go 19 months without creditable coverage, your premium may consistently be at least 19 percent higher than the Medicare base beneficiary premium. You may have to pay this higher premium (penalty) as long as you have Medicare prescription drug coverage. In addition, you may have to wait until the following October to enroll.

What happens to your current coverage if you enroll in a Medicare prescription drug plan?

If you decide to enroll in a Medicare prescription drug plan, your current health plan coverage will not be affected. Your current coverage pays for other health expenses, in addition to prescription drugs, and you will still be eligible to receive all of your current health and prescription drug benefits if you choose to enroll in a Medicare prescription drug plan. However, the benefits will be coordinated between the two plans.

For more information about this notice or your current prescription drug coverage

Contact your employer for further information. NOTE: You'll receive this notice each year, as well as before the next period you can enroll in a Medicare prescription drug plan and if this coverage through Goshen College changes. You may also request a copy of this notice at any time.

For more information about your Medicare prescription drug coverage options

More detailed information about Medicare plans that offer prescription drug coverage is in the *Medicare & You* handbook. You'll receive a copy of the handbook in the mail every year from Medicare. You may also be contacted directly by Medicare-approved prescription 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 *Medicare & You* handbook for the telephone number) for personalized help, or
- Call (800) MEDICARE – (800) 633-4227. TTY users should call (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 the Social Security Administration online at www.socialsecurity.gov, or call them at (800) 772-1213. TTY users should call (800) 325-0778.

Remember: Keep this creditable coverage notice. If you decide to enroll in one of the Medicare prescription drug plans, you may be required to provide a copy of this notice when you enroll to show whether or not you have maintained creditable coverage and, therefore, whether or not you are required to pay a higher premium (penalty).

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Name of entity/sender: Goshen College

Contact – position/office: Tina Neff, plan representative

Address: 1700 S. Main Street, Goshen, IN 46526

Phone number: (574) 535-7000