

Alabama Agricultural and Mechanical University

Office of Human Resources

Mailing Address: Office of Human Resources, Alabama A&M University, Normal, AL 35762

Phone: 256.372.5835

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Prescription Drug Coverage and Medicare Notice

Please read this notice carefully and keep it with your other important documents. This notice has information about your current prescription drug coverage with PEEHIP and about your options under Medicare's prescription drug coverage. This information can help you decide whether or not you want to join a standard Medicare drug plan or keep your PEEHIP drug coverage.

The PEEHIP prescription drug benefit for Medicare retirees and Medicare covered dependents is an Employer Group Waiver Plan (EGWP), which is PEEHIP's Medicare Prescription Part D Drug Plan called Medicare GenerationRx. All PEEHIP covered Medicare-eligible retirees and Medicare covered dependents are automatically enrolled in Medicare GenerationRx unless you are enrolled in another Part D plan or choose to opt-out. If you opt-out of this plan, you will have no prescription coverage from PEEHIP.

If you are considering joining a standard Medicare drug plan, 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. **However, if you choose to enroll in a standard Medicare Part D drug plan, you will lose the PEEHIP prescription drug coverage.**

There are **two important things** you need to know about your current coverage and Medicare's standard prescription drug coverage:

- Medicare prescription drug coverage became available in 2006 to everyone with Medicare. You can get this coverage if you join a standard Medicare Prescription Drug Plan or join a Medicare Advantage Plan (like an HMO or PPO) that offers prescription drug coverage. All standard 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.
- PEEHIP has determined that the prescription drug coverage offered by the PEEHIP is, 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 PEEHIP coverage is Creditable Coverage, you can keep this coverage and not pay a higher premium (a penalty) if you later decide to join a standard Medicare drug plan.**

Medicare Drug Plan Enrollment Period

You can join a standard Medicare drug plan when you first become eligible for Medicare and each year from October 15th to December 7th. 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 standard Medicare drug plan.

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Standard Medicare Drug Plan and PEEHIP Drug Plan

If you decide to join a standard Medicare drug plan and drop your PEEHIP drug plan, your current PEEHIP drug coverage will terminate on the date that you enroll in a standard Medicare drug plan. Please be aware that you will lose the PEEHIP drug coverage and will not be able to get this coverage back until you drop the other standard Medicare Part D coverage. You cannot have PEEHIP prescription drug coverage and a standard Part D coverage plan at the same time. If you enroll in a standard Medicare drug plan, you will still be eligible for your current PEEHIP health benefits but will have no prescription drug coverage under PEEHIP.

Medicare Drug Plan Penalty when Joining Outside of the Enrollment Period

You should also know that if you drop or lose your current coverage with PEEHIP and do not join a standard 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.

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 Options Under Medicare Prescription Drug Coverage

More detailed information about standard Medicare plans that offer prescription drug coverage is in the “Medicare & You” handbook. You will get a copy of the handbook in the mail every year from Medicare. You may also be contacted directly by standard Medicare drug plans.

For more information about standard 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 800-Medicar (800.633.4227). TTY users should call 877.486.2048.

An exception may apply to certain “low-income” individuals who may be eligible for prescription drug subsidies, and thus may be better off applying for a subsidy and standard Part D (two separate steps). For information about this extra help, visit Social Security on the web at www.socialsecurity.gov, or call them at 800.772.1213 (TTY 800.325.0778).

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For More Information About This Notice Or Current Prescription Drug Coverage

Contact the PEEHIP office at 877.517.0020 for further information. You will receive this notice each year and you may request a copy of this notice at any time. Keep this important notice because if you decide to join one of the standard Medicare drug plans, you may be required to provide a copy of this notice to show whether or not you have maintained creditable coverage.

Medicare Part D Prescription Drug Benefit Resources

Telephone Number	Description
Medicare 800-MEDICAR; 800.633.4227	Medicare Help Line
Social Security Administration 800.772.1213	Recorded information and services are available 24 hours a day, including weekends and holidays
Website Description	
Medicare www.medicare.gov	Provides access to information about Medicare and Medicare health plans.
Centers for Medicare and Medicaid Services www.cms.gov	CMS administers Medicare and Medicaid programs. A database of frequently asked questions is available.
Social Security Administration www.ssa.gov	Link to the Social Security Administration's site for information on low-income subsidies and other resources.
AARP www.aarp.com/bulletin	Access the Medicare Benefit Drug Calculator, which illustrates what the Medicare drug benefit means to you.
Access to Benefits Coalition www.accesstobenefits.com	Prescription drug savings for those who need them most.
Aging Parents and Elder Care www.todaysseniors.com	Senior Solutions is an independent organization providing information on issues to help seniors get the most out of retirement.
Benefits Check Up https://benefitscheckup.org	A service of the National Council on Aging; helps find programs for people ages 55 and over that may pay some costs of prescription drugs, health care, utilities, and other essential items or services.
Destination Rx www.destinationrx.com	Provides a pharmacy discount buying service.

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Medicare Rights Center www.medicarerights.org	Medicare Rights Center (MRC) is the largest independent U.S. source of health information and assistance for people with Medicare.
Needy meds.com www.needy meds.com	Find information on patient assistance programs that provide no cost prescription medications to eligible participants.
Rxaminer.com www.rxaminer.com	Use this prescription drug comparison tool to find lower-cost prescription drugs.
Together Rx www.togetherrx.com	Offers a prescription drug savings program.