

Important Notice From TICUA Benefit Consortium, Inc. Health Plan About Your Prescription Drug Coverage and Medicare

This notice applies to all Medicare Part D eligible individuals. A “Part D eligible individual” is an individual who:

- ▶ is entitled to benefits under Medicare Part A or is enrolled in Medicare Part B; and
- ▶ lives in the service area of a Part D plan.

Please read this notice carefully and keep it where you can find it. This notice has information about your current prescription drug coverage with TICUA Benefit Consortium, Inc. Health Plan 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. Information about where you can get help to make decisions about your prescription drug coverage is at the end of this notice.

There are three 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. TICUA Benefit Consortium, Inc. Health Plan has determined that the prescription drug coverage offered by the Medicare Supplemental Plan is, on average for all plan participants, NOT expected to pay out as much as standard Medicare prescription drug coverage pays and is considered Non-Creditable Coverage. This is important, because most likely, you will get more help with your drug costs if you join a Medicare drug plan, than if you only have prescription drug coverage from the Medicare Supplemental Plan.**
- 3. You can keep your coverage from TICUA Benefit Consortium, Inc. Health Plan. However, because your existing coverage is, on average, NOT at least as good as standard Medicare prescription drug coverage, you have decisions to make about Medicare prescription drug coverage that may affect how much you pay for that coverage, depending on if and when you join. When you make your decision, you should compare your current coverage, including what drugs are covered, with the coverage and cost of the plans offering Medicare prescription drug coverage in your area. Read this notice carefully - it explains your options.**

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 November 15th through December 31st. This may mean that you may have to wait to join a Medicare drug plan and that you may pay a higher premium (a penalty) if you join later. You

may pay that higher premium (a penalty) as long as you have Medicare prescription drug coverage. *However, if you lose or decide to leave employer/union sponsored coverage; you will be eligible to join a Part D plan at that time using an Employer Group Special Enrollment Period.*

When Will You Pay A Higher Premium (Penalty) To Join A Medicare Drug Plan?

Since the coverage under the TICUA Benefit Consortium, Inc. Health Plan is not creditable, depending on how long you go without creditable prescription drug coverage, you may pay a penalty to join a Medicare drug plan. Starting with the end of the last month that you were first eligible to join a Medicare drug plan but didn't join, if you go 63 continuous days or longer without prescription drug coverage that's creditable, 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 (penalty) as long as you have Medicare prescription drug coverage. In addition, you may have to wait until the following November to join.

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 TICUA Benefit Consortium, Inc. Health Plan coverage will not be affected. See below for more information about what happens to your current coverage if you join a Medicare drug plan.

Under the TICUA Benefit Consortium, Inc. Health Plan, when you are covered as an active employee or the dependent of an active employee and are eligible for Medicare you may choose to:

- 1.) remain covered under the plan and your selected benefit option and NOT enroll in Medicare Part D;
- 2.) remain covered under the plan and your selected benefit option and enroll in Medicare Part D, which will then pay benefits secondary to the TICUA Benefit Consortium, Inc. Health Plan, or;
- 3.) drop all coverage under the TICUA Benefit Consortium, Inc. Health Plan and become covered ONLY by Medicare, including Part D.

NOTE that benefits under the Medicare Supplement plan are determined as if you are enrolled in Medicare Parts A and B WHETHER OR NOT YOU ARE ACTUALLY ENROLLED. You MAY NOT enroll in Medicare Part D and drop only the prescription coverage under the TICUA Benefit Consortium, Inc. Health Plan.

If you do decide to join a Medicare drug plan and drop your TICUA Benefit Consortium, Inc. Health Plan prescription drug coverage, be aware that you and your dependents may not be able to get this coverage back.

You should also know that if you drop or lose your coverage with TICUA Benefit Consortium, Inc. Health Plan 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. This is explained above in "When Will You Pay A Higher Premium (Penalty) To Join A Medicare Drug Plan?"

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 TICUA Benefit Consortium, Inc. Health Plan changes. You also may request a copy.

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).

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