



Human Resources
Benefits Office

To: Medicare Eligible Active Employees
Medicare Eligible Retirees
Medicare Eligible Disabled Spouse
Medicare Eligible Disabled Children

From: University of Vermont and State Agricultural College

Subject: Medicare Part D Notification Letter

Date: December 27, 2007

Below is an Important Notice from the University of Vermont and State Agricultural College about Your Prescription Drug Coverage and Medicare.

No action on your part is necessary if you do not wish to change your current UVM coverage.

Please read this notice carefully and keep it where you can find it. This notice has information about your current prescription drug coverage with the University of Vermont and State Agricultural College and prescription drug coverage available for people with Medicare. It also explains the options you have under Medicare prescription drug coverage and can help you decide whether or not you want to enroll. At the end of this notice is information about where you can get help to make decisions about your prescription drug coverage.

1. Medicare prescription drug coverage became available in 2006 to everyone with Medicare through Medicare prescription drug plans and Medicare Advantage Plans that offer prescription drug coverage. All Medicare prescription 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. The University of Vermont and State Agricultural College has determined that the prescription drug coverage offered by the Blue Cross Blue Shield MedComp III and J-Carveout Plan are 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 later decide 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 15th through December 31st.

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

You should 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 do decide to enroll in a Medicare prescription drug plan and drop your University of Vermont and State Agricultural College Blue Cross Blue Shield prescription drug coverage, be aware that you and your dependents may not be able to get this coverage back.

Please contact us for more information about what happens to your coverage if you enroll in a Medicare prescription drug plan.

An explanation of UVM's prescription coverage is below:

Plan Deductible: \$100 per calendar year

Employee Cost:

Retail Pick-up (up to a thirty day supply)

Generic \$5 co-pay

Preferred \$20 co-pay

Non-Preferred \$40 co-pay

Mail Order (up to a ninety day supply)

Generic \$5 co-pay

Preferred \$20 co-pay

Non-Preferred \$40 co-pay

If you enroll in a Medicare prescription drug plan and drop your UVM prescription drug coverage, be aware that you cannot get this coverage back until the next UVM Open Enrollment period (May 2008 for an effective date of July 1, 2008), which will result in a six-month gap in coverage, from January 1 through June 30, 2008. You may not be covered under Medicare Part D and the University's prescription coverage.

Your UVM coverage pays for other health care expenses, in addition to prescription drugs, and you will still be eligible to receive your current health plan coverage even if you choose to enroll in a Medicare Part D prescription drug plan.

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 nineteen 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.

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

Contact our office for further information by e-mail Benefits@UVM.edu or by phone 802-656-3322 or by letter to the address at the bottom of page 1. NOTE: You will receive this notice annually and at other times in the future such as before the next period you can enroll in Medicare prescription drug coverage, and if this coverage through the University of Vermont and State Agricultural College 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 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,
- 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. Information about this extra help is available from the Social Security Administration (SSA) online at www.socialsecurity.gov, or you call them at 1-800-772-1213 (TTY 1-800-325-0778).

Remember: Keep this notice. If you enroll in one of the new plans approved by Medicare which 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.

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