To: Medicare-Eligible Active Employees
     Medicare-Eligible Retirees
     Medicare-Eligible Disabled Spouses
     Medicare-Eligible Disabled Children

From: The University of Vermont and State Agricultural College

Re: Medicare Part D Notification Letter

Date: October 1, 2013

This is an important notice from The University of Vermont and State Agricultural College about your BlueCross and BlueShield Prescription Drug Coverage and Medicare Part D.

No action is necessary on your part unless you wish to change your current UVM coverage.

Please read this letter 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 as well as prescription drug coverage available for individuals 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 you will find information on additional resources to help you better understand the options.

Be aware that this notice differentiates between healthcare coverage provided by the University and prescription drug coverage which may be provided either by the University as part of your healthcare coverage, or by Medicare Part D, but not by both.

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

1. Medicare prescription drug coverage is available to everyone with Medicare. You can get this coverage if you join a Medicare Prescription Drug Plan or a Medicare Advantage Plan (like an HMO or PPO) that offers prescription drug coverage. All Medicare drug plans provide at least the standard level of coverage set by Medicare. Some plans may also offer more coverage for a higher monthly premium.

2. The University of Vermont has determined that the prescription drug coverage offered through BlueCross and BlueShield J Carveout and Medcomp III plans are expected, on average, to pay out as much as standard Medicare prescription drug coverage pays and are therefore considered Creditable Coverage. Because your existing coverage is Creditable Coverage, you can keep this coverage and not pay a higher premium (a penalty) if you later decide to join a Medicare prescription drug plan.
When can I join a Medicare Drug Plan?
You may enroll in a Medicare prescription drug plan when you first become eligible for Medicare and each year thereafter between October 15 and December 7. However, if you lose your current creditable prescription drug coverage through no fault of your own, you will also be eligible to join a Medicare prescription drug plan during a two-month Special Enrollment Period (SEP).

What happens to my current coverage if I join a Medicare Drug Plan?
If you enroll in a Medicare prescription drug plan and drop your University of Vermont BlueCross and BlueShield prescription drug coverage, be aware that you and your dependents may not be able to get this drug coverage back.

Please contact UVM’s Human Resource Services for more information about what happens to your coverage if you enroll in a Medicare prescription drug plan.

An overview of the Participant’s Cost under the University’s prescription drug coverage:

**Retail Pick-up** (up to a thirty day supply)
- Plan Deductible: $100 per calendar year
- Generic: $5 co-pay
- Preferred: $20 co-pay
- Non-Preferred: $40 co-pay

**Mail Order** (up to a ninety day supply)
- Plan Deductible: No deductible
- Generic: $10 co-pay
- Preferred: $40 co-pay
- Non-Preferred: $80 co-pay

If you enroll in a Medicare prescription drug plan and drop your J Carveout or Medicomp III prescription drug coverage, be aware that you will not be able to renew your UVM coverage until the next Open Enrollment period (May 2014 with an effective date of July 1, 2014), which would result in a six-month gap in coverage, from January 1 through June 30, 2014. Individuals may not be covered by both Medicare Part D and the University’s prescription drug coverage at the same time.

Will I pay a Higher Premium (Penalty) to join a Medicare 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 (penalty) as long as you have Medicare prescription drug coverage. In addition, you may have to wait until the following November to enroll.

For more information about this notice or your current prescription drug coverage, contact our office by e-mail (HRSInfo@uvm.edu), by phone (802-656-3150), or by mail (The University of Vermont, Human Resource Services, 85 So. Prospect Street, 228 Waterman Building, Burlington, VT 05405).
For more information about your options under Medicare prescription drug coverage, see your copy of the Medicare and You handbook. (You’ll get a copy of the handbook in the mail every year from Medicare. If you’ve misplaced your copy, find it at www.medicare.gov on the Internet.)

You may be contacted directly by Medicare prescription drug plans. To seek out more information on your own:

- Visit www.medicare.gov
- Call your State Health Insurance Assistance Program for personalized help. (See the Medicare and You handbook for the phone number.)
- Call 1-800-MEDICARE (1-800-633-4227). TTY users should call 1-877-486-2048.

For those with limited income and resources, there may be help available to pay for Medicare prescription drug coverage. Request information from the Social Security Administration (SSA) online at www.socialsecurity.gov, or call 800-772-1213 (TTY 1-800-325-0778).

You will receive this notice at least annually and possibly at other times as well (e.g., before the next period you can enroll in Medicare prescription drug coverage, and any time this coverage through The University of Vermont changes). You also may request a copy of this letter at any time.

**Important:** Save this notice. If you enroll in a Medicare-approved plan offering prescription drug coverage, you may be required to provide a copy of this notice when you join, in order to show that you are not required to pay a higher premium amount.

If you do enroll in a Medicare-approved plan, please notify UVM’s Human Resource Services at HRSinfo@uvm.edu, or at the phone number or address below.

Date: October 1, 2013
Sender: The University of Vermont and State Agricultural College
Office: Human Resource Services
Address: 85 So. Prospect Street, 228 Waterman Building, Burlington, VT 05405
Phone Number: 802-656-3150