



The University of Vermont

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

From: University of Vermont Human Resource Services

Re: REQUIRED NOTICE: Medicare Part D Notification

Date: October 2019

This notification from UVM is annually required by the federal government. Please read this notice carefully and keep it where you can find it. This notice has information about your current prescription drug coverage with UVM and about your options under Medicare's prescription drug coverage.

Medicare-Eligible Active Employees - No action is necessary if you are actively working and covered under UVM's Blue Cross Blue Shield Vermont Health Partnership Plan. If your spouse is also covered no action is required.

Medicare-Eligible Retirees - No action is necessary if you currently participate in UVM's Blue Medicare Rx with Medicare Part D prescription drug program and you want to continue in this program. If you wish to terminate coverage and move to a non-UVM prescription drug program, you must notify UVM Human Resource Services in writing.

UVM offers a prescription drug program to Medicare-eligible retirees through Blue Cross Blue Shield (BCBS) known as Blue Medicare Rx. This program is a qualified Medicare Part D plan, an Employer Group Waiver Program (EGWP). Your enrollment in a UVM BCBS retiree Medicare Supplement plan, JCarveout or MediComp III, provides enrollment in Medicare Part D through this program.

If you enroll in another Medicare Part D prescription drug plan, Medicare will automatically terminate your coverage in the UVM prescription drug plan and you will not be able to return to the UVM plan until the next open enrollment period in November 2019 for coverage effective January 1, 2020. You cannot be enrolled in two (2) Medicare Part D programs.-- therefore, you are advised NOT to enroll in another Medicare Part D prescription drug plan.

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

- 1) You may continue to participate in UVM medical insurance *without* prescription drug coverage if you elect to join a non-UVM Medicare Prescription Drug Plan or a Medicare Advantage Plan (like an HMO or PPO) that offers prescription drug coverage. You will still be eligible to participate in UVM’s Medical Plans without prescription drug coverage.

- 2) UVM has determined that the prescription drug coverage offered by Blue Medicare Rx Program is on average for all plan participants, expected to pay out as standard Medicare prescription drug coverage pays and is therefore considered Creditable Coverage. Therefore, you may keep this coverage and avoid a higher premium (a penalty) if you later decide to join another Medicare prescription drug plan.

When can I change to another Medicare Drug Plan?

You may enroll in another Medicare prescription drug plan when you first become eligible for Medicare and each year thereafter, from October 15 and December 7. However, if you lose your current creditable prescription drug coverage through no fault of your own, you will be eligible to join a Medicare prescription drug plan during a two (2) month Special Enrollment Period (SEP) because you lost creditable coverage to join a Part D 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 elect to waive – or “opt out” - of the UVM prescription drug plan, you will have to choose a non-UVM prescription drug plan. If you waive the UVM plan, you will lose competitive pharmacy coverage, may be subject to higher costs for medications, will not be eligible for an out-of-pocket maximum applied to your benefit, and you will not be able to return to UVM prescription drug plan coverage until next open enrollment in November for an effective date of January 1.

Will I pay a Higher Premium (penalty) to join a Medicare Drug Plan?

If you remain uncovered by a credible prescription drug coverage for 63 days or longer, your

monthly Medicare Part D premium may go up at least 1% of the Medicare base beneficiary premium per month for every month that you did not have that coverage. In addition, you may have to wait to enroll until the following Medicare Open Enrollment for an effective date of January 1.

AN IMPORTANT NOTE REGARDING PART D PRESCRIPTION DRUG COVERAGE: The federal government, through the Social Security Administration (SSA), imposes an income-sensitive monthly adjustment on higher-income retirees, based on the retirees' modified adjusted gross income (total adjusted gross income and tax-exempt interest income) for the Part D Prescription Drug Coverage.

For more information about this notice or your current prescription drug coverage, contact HRSinfo@uvm.edu or by phone at 802-656-3150. Our mailing address is 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:

- 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 extra help available to pay for Medicare prescription drug coverage. For more information, visit Social Security Administration (SSA) online at www.socialsecurity.gov, or call 800-772-1213 (TTY 1-800-325-0778).

NOTE: 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.

Remember: Save this notice. If you enroll in another 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. Please notify UVM in writing at the address below, if you want to terminate our Blue Medicare Rx with Medicare Part D prescription drug coverage and switch to a different vendor.

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:

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