



The University of Vermont

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 2016

UVM offers only one prescription drug program to Medicare eligible retirees called “Blue Medicare Rx with Medicare Part D, known as an Employer Group Waiver Program (EGWP). Therefore, you are already enrolled in Medicare Part D through this program.

If you currently participate in UVM’s Blue Medicare Rx with Medicare Part D prescription drug program, No action is necessary on your part unless you wish to terminate coverage and move to a non-UVM prescription drug program.

We strongly recommend that you NOT ENROLL in any other Medicare Part D prescription drug plan. 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 for effective date January 1. You cannot be enrolled in two (2) Medicare Part D programs.

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

- 1 If you decide 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 The University of Vermont has determined that the prescription drug coverage offered through BlueCross and BlueShield, Blue Medicare Rx Program 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 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 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).

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 opt out of the UVM prescription drug plan, you will have to choose a non-UVM prescription drug plan. If you leave UVM plan, you will lose excellent pharmacy coverage, you may be subject to higher costs for medications, no out-of-pocket maximum will be applied to your benefit and you will not be able to return to UVM until next open enrollment in November for effective date January 1.

If you decide to opt-out of UVM’s “Blue Medicare Rx with Medicare Part D” prescription drug program with Medicare, we need you to send a letter to us in writing requesting to opt-out.

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 for effective date January 1 to enroll.

IMPORTANT NOTE About Part D Prescription Drug Coverage Income-Related Monthly Adjustment Amount. The federal Government, through the Social Security Administration (SSA), imposes an income related 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 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 Your 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 Your 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 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 go to a different vendor.

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

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