

Important Notice From Carnegie Mellon University About Your Prescription Drug Coverage and Medicare

The Carnegie Mellon University Benefit Plan Retiree Major Medical and Supplemental Prescription Drug 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 Carnegie Mellon University 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:

s provide at least a standard level of coverage set by Medicare. Some plans may provide more coverage for a higher monthly premium.

2. Carnegie Mellon University has determined that the prescription drug coverage offered by the Retiree Major Medical and Supplemental Prescription Plan is, on average for all plan participants, NOT expected to pay out as much as standard Medicare prescription drug coverage pays. Therefore, your coverage 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 Retiree Major Medical and Supplemental Prescription Plan. This also is important because it may mean that you may pay a higher premium (a penalty) if you do not join a Medicare drug plan when you first become eligible.**
3. You can keep your current coverage from the Retiree Major Medical and Supplemental Prescription Plan. However, because your coverage is non-creditable, 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 a drug plan. 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 October 15th to December 7th.

However, if you decide to drop your current coverage with Carnegie Mellon University, since it is employer/union sponsored group coverage, you will be eligible for a two (2) month Special Enrollment Period (SEP) to join a Medicare drug plan; however you also may pay a higher premium (a penalty) because you did not have creditable coverage under the Retiree Major Medical and Supplemental Prescription Plan.

When Will You Pay a Higher Premium (Penalty) to Join a Medicare Drug Plan?

Since the coverage under Carnegie Mellon University Retiree Major Medical and Supplemental Prescription 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 coverage