

Attention: University System of New Hampshire (USNH) benefits eligible employees, retirees under age 65, long term disability participants, COBRA participants, and covered spouse and dependent(s) **who are Medicare-eligible** (or will become Medicare-eligible in the next 12 months)

RE: 2021 Medicare Prescription Drug Plan Creditable Coverage Notice

You do not need to read any further if you are not Medicare-eligible and will not become eligible for Medicare in the next 12 months and/or you do not have a spouse or dependent that is Medicare-eligible or will become Medicare-eligible in the next 12 months.

Important Notice from the University System of New Hampshire about Your Prescription Drug Coverage and Medicare

Please read this notice carefully and keep it where you can find it. This notice has information about your current prescription drug coverage with USNH 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. If you are considering joining, you should compare your current coverage, including which drugs are covered at what cost, with the coverage and costs of the plans offering Medicare prescription drug coverage in your area. Information about where you can get help to make decisions about your prescription drug coverage is at the end of this notice.

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

1. Medicare prescription drug coverage became available in 2006 to everyone with Medicare. You can get this coverage if you join a Medicare Prescription Drug Plan or join a Medicare Advantage Plan (like an HMO or PPO) that offers prescription drug coverage. All Medicare 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. Segal Consulting, contracted by USNH, has determined that the prescription drug coverage offered by USNH is, on average for all plan participants, expected to pay out as much as standard Medicare prescription drug coverage pays and is 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 drug plan.

Common Questions & Answers

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 for the upcoming January 1st. However, if you lose your current creditable prescription drug coverage, through no fault of your own, you will also be eligible for a two (2) month Special Enrollment Period (SEP) to join a Medicare drug plan.

What Happens to Your Current Coverage If You Decide to Join a Medicare Drug Plan?

If you decide to join a Medicare drug plan, your current USNH coverage will not be affected because of having other coverage. Keep in mind, however, that enrollment in a Part D plan is not necessary while you have creditable coverage through a USNH plan.

If you do decide to join a Medicare drug plan and drop your current USNH coverage, be aware that you and your dependents may not be able to re-enroll in a USNH plan. Only those people on the active plan who participate in USNH's annual open enrollment will have the opportunity to re-enroll during the USNH annual open enrollment or within thirty (30) days of a qualifying event.

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

You should also know that if you drop or lose your current coverage with USNH and don't join a Medicare drug plan within 63 continuous days after your current coverage ends, you may pay a higher premium (a penalty) to join a Medicare drug plan later.

If you go 63 continuous days or longer without creditable prescription drug coverage, your monthly premium may go up by at least 1% of the Medicare base beneficiary premium per month for every month that you did not have that coverage. For example, if you go nineteen months without creditable coverage, your premium may consistently be at least 19% higher than the Medicare base beneficiary premium. You may have to pay this higher premium (a penalty) for as long as you have Medicare prescription drug coverage. In addition, you may have to wait until the following October to join for the upcoming January.

What Does a Medicare Drug Plan Cost?

Your actual drug plan costs will vary depending on:

- Your prescriptions and whether they are on your plan's formulary (drug list).
- The plan you choose.
- Which pharmacy you use (preferred, non-preferred, out-of-network, or mail order).
- Whether you get Extra Help paying your Part D costs.

If you have limited income and resources, you may qualify for Extra Help, a Medicare program to help people with limited income and resources pay Medicare prescription drug costs.

For more information about Medicare prescription drug coverage:

Refer to your "Medicare & You" handbook or...

- Visit www.medicare.gov.
- Call 1-800-Medicare (1-800-633-4227); TTY users call 1-877-486-2048.
- Call your State Health Insurance Assistance Program (see the "Medicare & You" handbook for their telephone number or visit www.medicare.gov for your state's agency and contact information) for personalized help. New Hampshire residents may call the ServiceLink Resource Center toll-free at 1-866-634-9412 or visit them at www.servicelink.nh.gov.

When online or on the phone, you can request a copy of the booklet "Your Guide to Medicare Prescription Drug Coverage" which describes the program in detail.

For more information about this notice or your current USNH prescription drug coverage, contact:

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NOTE: You will get this notice each year. You will also get this notice before the next period you can join a Medicare drug plan and if coverage through USNH changes. You may also request a copy of this notice at any time.