

Important Notice 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 your plan sponsor under HealthFlex and about your options under Medicare's prescription drug coverage. This information can help you decide whether 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 coverages 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 a Medicare Advantage Plan (like an HMO or PPO) that offers prescription drug coverage. All Medicare prescription 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. Wespath Benefits and Investments (Wespath) has determined that the prescription drug coverage offered by the HealthFlex Plan, 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 prescription drug plan.

When Can You Join a Medicare Prescription Drug Plan?

You can join a Medicare prescription drug plan when you first become eligible for Medicare and each year from October 15 through December 7.

However, if you lose your current creditable prescription drug coverage, through no fault of your own, you will also be eligible for a two-month Special Enrollment Period to join a Medicare drug plan.

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

Important:

If you decide to join a Medicare prescription drug plan and you are covered by a Medicare Secondary Payer Small Employer Exception, your HealthFlex coverage may terminate depending on your Plan Sponsor's policy. You will be notified of this termination. If your HealthFlex coverage is not terminated, HealthFlex will provide prescription drug coverage that is secondary to Medicare's coverage.

If you decide to join a Medicare prescription drug plan and you are *not* covered by a Medicare Secondary Payer Small Employer Exception, your HealthFlex coverage will not be impacted. HealthFlex will provide prescription drug coverage that is primary to Medicare's coverage. If you decide to join a Medicare drug plan and drop your current HealthFlex coverage, be aware that you will only be able to re-enroll in HealthFlex during the annual election period unless you have a qualified change in status event.

If you are considering dropping your HealthFlex coverage, or paying for both HealthFlex and Medicare coverage, you may want to discuss this decision with your financial advisor. If you are considering paying for both HealthFlex and Medicare coverage, you may want to consider whether having coverage under both will lower your out-of-pocket costs enough to make it worthwhile to pay both HealthFlex and Medicare premiums.

For details of your prescription drug coverage, please contact your Plan Sponsor or the Wespath Health and Wellness Team (**1-800-851-2201**). In addition, you can consult the benefit summaries available through the Benefits Access website.

Low-Income Subsidy

If you have received information from the Centers for Medicare & Medicaid Services indicating that you are eligible for the low-income benefit or subsidy, sometimes called “extra help,” make sure to contact the Health and Wellness Team for more information and assistance. You may be eligible to continue your HealthFlex coverage while enrolling in a Medicare Part D prescription drug plan.

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

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

If you go 63 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 19 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 (penalty) as long as you have Medicare prescription drug coverage. In addition, you may have to wait until the following October to join.

For More Information About This Notice or Your Current Prescription Drug Coverage

For further information contact or call the Health and Wellness Team at Wespeth at **1-800-851-2201**. Note: You will receive this notice annually. You will also receive it before the next period you can join a Medicare drug plan, and if this coverage through HealthFlex changes. You also may request a copy of this notice at any time.

For More Information About Your Options Under Medicare Prescription Drug Coverage

More detailed information about Medicare plans that offer prescription drug coverage is in the “Medicare & You” booklet. You will receive a copy of this booklet in the mail every year from Medicare, if you are eligible for and enrolled in Medicare. You may also be contacted directly by Medicare prescription drug plans.

For more information about Medicare prescription drug coverage:

- Visit **www.medicare.gov**.
- Call your State Health Insurance Assistance Program (see the inside back cover of the “Medicare & You” booklet for its telephone number) for personalized help.
- Call **1-800-MEDICARE (1-800-633-4227)**. TTY users should call **1-877-486-2048**.

If you have limited income and resources, extra help paying for Medicare prescription drug coverage is available. For information about this extra help, visit the Social Security Administration website at **www.socialsecurity.gov**, or call the SSA at **1-800-772-1213 (TTY 1-800-325-0778)**.

Reminder: Keep this notice. If you decide to join one of the Medicare prescription drug plans, you may be required to provide a copy of this notice when you join to show whether you have maintained Creditable Coverage and, therefore, whether you are required to pay a higher premium (penalty).

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