

Important Notice from Rochester Institute of Technology About RIT Prescription Drug Coverage and Medicare

WE ARE SENDING YOU THIS NOTICE AS REQUIRED BY FEDERAL LAW. THIS NOTICE IS INTENDED FOR MEDICARE-ELIGIBLE INDIVIDUALS WHO PARTICIPATE IN THE POS B NO DRUG PLAN (THIS PLAN DOES NOT PROVIDE CREDITABLE COVERAGE).

Please read this notice carefully and keep it where you can find it. This notice has information about your current prescription drug coverage with Rochester Institute of Technology and prescription drug coverage available for people with Medicare. It also explains the options you have under Medicare prescription drug coverage, and can help you decide whether or not you want to enroll. At the end of this notice is information about where you can get help to make decisions about your prescription drug coverage.

- 1. Medicare prescription drug coverage became available to everyone with Medicare through Medicare prescription drug plans and Medicare Advantage Plans that offer prescription drug coverage in 2006. 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. Rochester Institute of Technology has determined that the POS B No Drug Plan is NOT expected to pay out at least as much as the standard Medicare prescription drug coverage will pay. Therefore, your coverage is considered Non-Creditable Coverage. 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 Rochester Institute of Technology. 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 through December 7th.

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

Since the coverage under the RIT POS B No Drug 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 prescription drug coverage that's creditable, 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 (penalty) as long as you have Medicare prescription drug coverage. In addition, you may have to wait until the following October to join.

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 POS B No Drug coverage will not be affected. RIT does offer other medical plans that do have Creditable Coverage and you could enroll in one of those (POS A, POS B, POS D or Blue PPO).

Does RIT Offer Creditable Coverage?

Yes. A qualified actuary has determined that the prescription drug coverage under POS A, POS B, POS D and Blue PPO (**you DO NOT currently have this coverage**) is “creditable coverage.” This means that on average for all plan participants, this prescription drug coverage is expected to pay out at least as much as the standard Medicare prescription drug coverage will pay.

For More Information About This Notice Or Your Current Prescription Drug Coverage...

Contact the RIT Service Center (RSC) for more information (see end of this notice for contact information). **NOTE:** You'll get this notice each year. You will also get it before the next period you can join a Medicare drug plan, and if this coverage through Rochester Institute of Technology 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” handbook. You'll get a copy of the handbook in the mail every year from Medicare. You may also be contacted directly by Medicare prescription drug plans. For more information about Medicare prescription drug plans:

- Visit www.medicare.gov;
- Call your State Health Insurance Assistance Program (see your copy of the *Medicare & You* handbook for their telephone number) for personalized help;
- Call 1-800-MEDICARE (1-800-633-4227). TTY users should call 1-877-486-2048.

For people with limited income and resources, extra help paying for a Medicare prescription drug plan is available. Information about this extra help is available from the Social Security Administration (SSA). For more information about this extra help, visit SSA online at www.socialsecurity.gov, or call them at 1-800-772-1213 (TTY 1-800-325-0778).

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