



THE TEXAS A&M UNIVERSITY SYSTEM

Office of Risk Management/Benefits Administration

July 12, 2019

Important Notice about Your Prescription Drug Coverage and Medicare

This notice is about your prescription drug coverage with The A&M System and your options under Medicare's prescription drug coverage. This information can help you decide about joining a Medicare drug plan. Compare your current coverage with the coverage and costs of plans offering Medicare prescription drug coverage in your area.

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.

The A&M System has determined that the prescription drug coverage offered through the System 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. **If you are retired and enrolled in Medicare Parts A&B and your spouse, if enrolled in TAMUS coverage, is also enrolled in Parts A&B of Medicare, you will be asked to enroll in the 65+ plan which will have Medicare Part D drug coverage. You do not have to enroll in Medicare drug coverage on your own.**

When Can You Join A Non-A&M System Medicare Drug Plan?

You can join when you first become eligible for Medicare and each year from October 15th to December 7th. 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 non-A&M System Medicare Drug Plan?

If you decide to join a Medicare drug plan, your current A&M System coverage will be affected. You cannot be enrolled in both the 65+ plan and a Non-A&M System Medicare Part D plan. You can stay in the A&M Care plan if you must enroll in a Non-A&M System Medicare Part D plan. You will not receive a drug benefit from your system health plan, but your System health premiums will not decrease. If you decide to join a Medicare drug plan and drop your current coverage, which would mean your medical and drug coverage, you and your dependents will be able to get this coverage back during open enrollment unless you are a "survivor".

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

If you drop or lose your current coverage with the A&M System 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) 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, contact your Human Resources Office. You may request a copy of this notice at any time.

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 every year from Medicare. 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” handbook for their telephone number) OR 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, visit Social Security at www.socialsecurity.gov, or call 1-800-772-1213 (TTY 1-800-325-0778).

Keep this Creditable Coverage notice. If you decide to join one of the Medicare drug plans, you may be required to provide a copy of this notice when you join to show whether or not you have maintained creditable coverage and, therefore, whether you are required to pay a higher premium (a penalty).