

# What Does the New Medicare Prescription Drug Coverage Mean to YOU?

Please read this "Credible Coverage" notification carefully and keep it where you can find it.

This notice has information about your current prescription drug coverage with the Vanderbilt Health Plan for Faculty and Staff 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 in 2006 to everyone with Medicare through Medicare prescription drug plans and Medicare Advantage Plans that offer 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. Vanderbilt University has determined that the prescription drug coverage offered by the Vanderbilt Health Plan for Faculty and Staff is, on average for all plan participants, expected to pay out as much as the standard Medicare prescription drug coverage will pay and is considered Credible Coverage.

Because your existing coverage is, on average, at least as good as standard Medicare prescription drug coverage, you can keep Caremark coverage and not pay extra later, if you decide to enroll in Medicare coverage in the future, providing you inform Medicare that you have 'credible coverage.'

Individuals can enroll in a Medicare prescription drug plan when they first become eligible for Medicare and each year from November 15 through December 31. Individuals losing employer coverage may be eligible for a Special Enrollment Period to sign up for a Medicare prescription drug plan.

You should compare your current coverage, including which drugs are covered, with the coverage and cost of the plans offering Medicare prescription drug coverage in your area.

In addition, your Vanderbilt Health Plan for Faculty and Staff covers health care in addition to prescription drugs, and you will not be eligible to receive your current health benefits if you choose to enroll in a Medicare prescription drug plan.

You should also know that if you drop or lose your coverage with the Vanderbilt Health Plan for Faculty and Staff and don't enroll in Medicare prescription drug coverage after your current coverage ends, you may pay more (a penalty) to enroll in Medicare prescription drug coverage later.

If you go 63 days or longer without prescription drug coverage that's at least as good as Medicare's prescription drug coverage, your monthly premium will go up at least 1% per month for every month that you did not have that coverage.

For example, if you go 19 months without coverage, your premium will always be at least 19% higher than what many other people pay. You'll have to pay this higher premium as long as you have Medicare prescription drug coverage. In addition, you may have to wait until the following November to enroll.

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](http://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 800.MEDICARE (800.633.4227). TTY users should call 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](http://www.socialsecurity.gov), or call them toll-free at 800.772.1213 (TTY 800.325.0778).

**Remember: Keep this notice.** If you enroll in one of the new plans approved by Medicare that offer prescription drug coverage after May 15, 2006, you may need to give a copy of this "Credible Coverage" notice when you join to show that you are not required to pay a higher premium amount.

For more information about this notice or your current prescription drug coverage contact the Benefits Office at 615.322.8330.

May 15, 2006  
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*NOTE: You will receive this notice annually and at other times in the future such as before the next period you can enroll in Medicare prescription drug coverage, and if this coverage through Vanderbilt University changes. You may also request a copy.*



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