IMPORTANT NOTICE ABOUT PRESCRIPTION DRUG COVERAGE AND MEDICARE FOR ANNUITANTS AND/OR DEPENDENTS WITH 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 Pennsylvania's State System of Higher Education (State System) 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.

- Medicare prescription drug coverage is available 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.

- The State System has determined that the prescription drug coverage offered under the Annuitant Health Care Program under Highmark Blue Shield's Major Medical 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 Creditable Coverage.

Because your existing coverage is on average at least as good as standard Medicare prescription drug coverage, you can keep this coverage and not pay extra if you later decide to enroll in Medicare prescription drug coverage.

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

If you do decide to enroll in a Medicare prescription drug plan and drop your State System annuitant health plan, which covers medically necessary prescription drugs under Major Medical, be aware that you and your dependents cannot get this coverage back. Please contact us for more information about what happens to your coverage if you enroll in a Medicare prescription drug plan.

Please be aware that your prescription drug coverage through the State System is part of your medical plan coverage. If you do decide to enroll in a Medicare prescription drug plan and cancel your State System annuitant health plan which covers medically necessary prescription drugs under Major Medical and other health care expenses not covered under standard Medicare, you **will not** be able to re-enroll in the State System Annuitant Health Care Program at a later date.

You should also know that if you drop or lose your coverage with the State System and do not 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 is 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 nineteen months without coverage, your premium will always be at least 19% higher than what many other people pay. You will 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 October to enroll.

For more information about this notice or your current prescription drug coverage …
Contact our office for further information at (717) 720-4153 or RetireeBenefitHelp@passhe.edu. NOTE: You will receive this notice annually at Open Enrollment and if this coverage through the State System changes. This notice is also available on the website at www.passhe.edu/ahcp and you may request a copy of this notice from the System Benefits Office at (717) 720-4153 or RetireeBenefitHelp@passhe.edu.

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 will 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.

Extra help to pay for Medicare prescription drug coverage is available for people with limited income and resources. Information about this extra help is available from the Social Security Administration (SSA) online at www.socialsecurity.gov, or you can call them at 1-800-772-1213 (TTY 1-800-325-0778).

Remember--Keep this notice. If you enroll in one of the new plans approved by Medicare which offers prescription drug coverage, you may be required to provide a copy of this notice when you join to show that you are not required to pay a higher premium amount.

Pennsylvania's STATE SYSTEM of Higher Education

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