

Notice of Creditable Coverage

Legally Required Notice of Creditable Coverage
You Do Not Need to Do Anything at This Time

Important Notice from Skidmore College About Your Prescription Drug Coverage and Medicare

This annual notice is for certain retirees, employees and their dependents **who are currently covered by Medicare or who will become eligible for Medicare with the next 12 months** due to age or disability. Please read this notice carefully and keep it where you can find it. This notice provides information about your current Skidmore prescription drug coverage and Medicare's prescription drug coverage options. This information may help you decide whether or not 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 coverage 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.

Keep this notice with your important records. This notice lets you know what the current prescription drug coverage you have under a Skidmore College plan is expected to pay out, on average will pay in 2016 (defined as "creditable coverage"). 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 or not you are required to pay a higher premium (a penalty).

There are two important things you need to know about your current coverage and Medicare's prescription drug coverage:

1. Medicare prescription drug (Medicare D) 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.
2. Skidmore College has determined that the prescription drug coverage offered through a medical plan by Skidmore, 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 drug plan.**

MEDICARE D PRESCRIPTION DRUG COVERAGE HIGHLIGHTS

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 15 to 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 (2) month Special Enrollment Period (SEP) to join a Medicare drug plan.

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 Skidmore College coverage will be canceled and the Skidmore College PPO plan, Skidmore College EPO plan or MVP HMO plan will no longer be offered to you.**

If you decide to join a Medicare drug plan and drop your Skidmore College coverage, be aware that you and your dependents will be able to get this coverage back.

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

You should know that if you drop or lose your current coverage with Skidmore College and don't promptly enroll in Medicare Plan D coverage 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 (Medicare D) coverage.** In addition, you may have to wait until the following October to join.

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 the prescription drug coverage through Skidmore College changes. Also, you may request a copy of this notice at any time.

FOR MORE INFORMATION ABOUT YOUR MEDICARE D OPTIONS

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 if you are presently eligible for Medicare. You also may be contacted directly by Medicare 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 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 individuals with limited income and resources, extra help paying for Medicare prescription drug plan is available. For more information, about this extra help, visit Social Security on the web at www.socialsecurity.gov, or call them at 1-800-772-1213 (TTY 1-800-325-0778).

Remember: 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 or not you are required to pay a higher premium (a penalty).

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