

## **Important Notice from the University of Rochester About Your Prescription Drug Coverage and 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 University of Rochester Health Care Plans and about your options under Medicare's prescription drug coverage. This information can 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.

There are two important things you need to know about your University Health Care Plan coverage and Medicare's prescription drug coverage:

1. 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.

2. The University of Rochester has determined that the prescription drug coverage offered by the University Health Care Plans 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 for all plan participants. 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.

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### **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 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 (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 University of Rochester coverage may be affected, depending on the University Health Care Plan option in which you are enrolled.

If you are enrolled in the following University Health Care Plan options, you are allowed to keep your coverage and have Medicare drug plan coverage at the same time:

- YOUR PPO Plan
- YOUR HSA-Eligible Plan
- Excellus BluePPO Signature Hybrid

In other words, you will not be disenrolled from the above options if you enroll in Medicare Part D. In that event, the University Health Care Plan will simply coordinate its coverage with the Medicare prescription drug plan as described below. In general, the University Health Care Plan coverage will become secondary to the Medicare Part D coverage (and Medicare will pay primary) if:

- University Health Care Plan benefits are no longer provided in connection with an employee's or spouse's active employment status (for example, if the eligible employee is retired, if the eligible employee terminates employment with a participating employer and elects COBRA continuation coverage, if the eligible employee is absent from work with a participating employer due to disability in excess of six months, or if the eligible employee or dependent have been receiving Medicare due to End Stage Renal Disease in excess of 30 months); or
- if the Medicare-covered individual is the domestic partner of an employee (except in certain cases where Medicare eligibility is due to disability and the employer sponsoring the health plan employs 100 or more employees).

Please refer to the University Health Program Guide(s) for an explanation of prescription drug coverage under the University Health Care Plans.

If you do decide to join a Medicare drug plan and drop your current University Health Care Plan coverage, be aware that you and your dependents may not be able to get this coverage back until the beginning of the next plan year. If you drop your coverage with the University of Rochester and enroll in a Medicare prescription drug plan, you may rejoin the University of Rochester plan during the open enrollment period held each fall for coverage effective the following January 1st. In addition, you may also be eligible to make changes or enroll in the University of Rochester plan throughout the year, if you have a qualifying event. These events are detailed in the University Health Care Plan guide(s).

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

You should also know that if you drop or lose your current coverage with University of Rochester 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.

### **Is University Health Care Plan Coverage also Creditable Coverage for Purposes of Medicare Part B?**

Not necessarily, depending on your situation. This notice only addresses whether the Plan's coverage is creditable for purposes of Medicare Part D. Similar concepts apply, however, for Medicare Part B.

For example, if you do not enroll for Medicare Part B at your earliest opportunity, then you will need to wait until the next annual enrollment period before you will have another opportunity to enroll for coverage, and when you do enroll you will have to pay a premium penalty, unless you have had creditable coverage in the interim. For purposes of Medicare Part B, creditable coverage means:

- employer group health plan coverage that is provided to you in connection with your own current employment status; and
- employer group health plan coverage that is provided to you in connection with your spouse's current employment status.

Coverage is considered to be in connection with an employee's current employment status if the eligible employee is actively working. Coverage is not in connection with an employee's current employment status if the eligible employee is retired, if the eligible employee terminates employment and elect COBRA continuation coverage, if the eligible employee is absent from work due to disability in excess of six months, or for employees who have been receiving Medicare due to End Stage Renal Disease in excess of 30 months.

For Medicare Part B purposes, coverage generally is not creditable if it is provided by a domestic partner's employer. Domestic partners generally will be required to enroll in Medicare Part B at their earliest opportunity (otherwise they will not have special enrollment rights if other coverage is lost and they will have to pay a premium penalty). There is an exception in some cases if the domestic partner is eligible to enroll in Medicare due to disability (rather than age) and if the employer sponsoring the health plan employs 100 or more employees.

Contact Medicare at the number(s) below for more information about Medicare Part B special enrollment periods and premium penalties.

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

Contact the Office of Total Rewards for further information at (585) 275-2084.

**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 University of Rochester 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 drug plans.

For more information about Medicare prescription drug coverage:

- Visit [www.medicare.gov](http://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.

If you have limited income and resources, extra help paying for Medicare prescription drug coverage is available. For information about this extra help, visit Social Security on the web at [www.socialsecurity.gov](http://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).**

Date: September 13, 2024  
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