

Notice of Medicare Part D Creditable Coverage

Important Notice from the Plano ISD Employee Health Benefit Plan About Your Prescription Drug Coverage and Medicare

To: PISD health plan participants who are eligible for 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 the Plano ISD Employee Health Benefit Plan 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. The Plano ISD has determined that the prescription drug coverage offered by our health plan 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.

If 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.

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. 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 Plano ISD health plan prescription drug coverage, be aware that you and your dependents may not be able to get this coverage back.

In 2009, all Plano ISD medical plans will cover prescription drugs as follows:

- \$50 individual annual deductible at retail
- 20% co-insurance for tier 1 (all generics and certain brand name drugs, see web site for details)
- 40% co-insurance for tier 2 (all other covered brand name drugs)

Medicare eligible individuals may choose to keep Plano ISD health plan coverage. It would be considered to be your primary coverage, and would coordinate with Medicare Part D coverage.

The Plano ISD health plan pays for other health expenses, in addition to prescription drugs, and you will not be eligible to receive the health and prescription drug benefits if you drop your Plano ISD health plan and enroll in a Medicare prescription drug plan. Plano ISD prescription drug benefits cannot be purchased separately from the Plano ISD health plan.

You should also know that if you drop or lose your coverage with the Plano ISD health plan 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 November to enroll.

For more information about this notice or your current prescription drug coverage...

Contact our office for further information by e-mail benefits@pisd.edu or by phone (469)752-8138.

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 the Plano ISD health plan changes. You also may request a copy. This notice will be posted year-round on our web site.

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. Also, you may 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.

For people with limited income and resources, extra help paying for Medicare prescription drug coverage is available. 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 offer 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.

Date: November 1, 2008
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