

November 15, 2006

Notice of Creditable Coverage

Important Notice from the University of Louisville about Your Prescription Drug Coverage and Medicare

You probably have heard about Medicare's prescription drug coverage, also known as Medicare Part D. The Medicare prescription drug coverage is available to everyone eligible for Medicare.

We're pleased to let you know that the coverage you have now – provided by the University of Louisville is, on average, at least as good as standard Medicare Part D coverage. This is called creditable coverage.

This letter is your notice of creditable coverage. Be sure to read this notice carefully and keep it in a *safe place* where you can find it.

Below you will find some answers to questions you may have regarding creditable coverage and how it relates to Medicare Part D plans.

What do I need to do?

To stay with your current prescription drug coverage from the University of Louisville, *you don't have to do anything*. Just keep using the coverage you have now. You're already enrolled in your current plan, which provides you with coverage that is, on average, at least as good as that offered under Medicare Part D.

Why do I need to keep my notice of creditable coverage?

Because your existing coverage is 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.

What if I lose my notice of creditable coverage?

If you need another copy of your notice of creditable coverage, please call us at (502)852-6258. You may also write to us at UofL Human Resources, 1980 Arthur St, Suite 100, Louisville, KY 40208.

Do I have to enroll in a Medicare Part D plan *now*?

No. You do not have to enroll in a Medicare Part D plan now. You will be able to enroll in a Medicare Part D plan in the future when your coverage through the University of Louisville ends.

What if I drop my coverage with University of Louisville but don't enroll in a Medicare Part D plan?

If you drop your current coverage but do not enroll in a prescription drug plan approved by Medicare after your current coverage ends, you will have to pay full price for your prescription drugs.

You may also have to pay more for Medicare prescription drug coverage later. If you go for 63 days or longer without coverage that is, on average, at least as good as Medicare's prescription drug coverage, *your monthly premium under a Medicare plan will increase at least 1% for each month that you did not have coverage. This increase will be effective as long as you have Medicare prescription coverage.*

For example, if you do not have coverage for 19 months before enrolling in Medicare prescription drug coverage, your premium with a Medicare plan will always be 19% higher than what you would have paid if you had enrolled at the appropriate time. *Also, you may have to wait until the next November 15 to enroll.*

If I keep my current coverage with the University of Louisville, can I enroll in a Medicare Part D plan later?

Yes. You will have the opportunity to enroll in a Medicare Part D prescription drug plan every year from November 15 to December 31 or when you first become eligible for Medicare. If you choose to enroll in a Medicare Part D plan without having creditable coverage with another plan like this one, you may have to pay an increased premium, as explained above.

How can I get more information?

If you are currently enrolled with Medicare, you will receive a copy of the handbook "Medicare & You 2007" from Medicare. This book contains more detailed information about Medicare plans that offer prescription drug coverage.

If you would like more information, you can find it by:

- Visiting www.medicare.gov.
- Calling your State Health Insurance Assistance Program (see your copy of the "Medicare & You" handbook for their telephone number).
- Calling 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 a Medicare prescription drug plan is available. For more information about this extra help, visit the Social Security Administration Web site at www.socialsecurity.gov, or call them at 1-800-772-1213. TTY users should call 1-800-325-0778.

Be sure to keep this notice. You may be asked for a copy of this notice if you enroll in one of the new prescription drug plans approved by Medicare. This notice will let your new plan know that you are not required to pay a higher premium amount.