



## Medicare Part D Notice of Creditable Coverage

### Important Notice from The University of Texas System Office of Employee Benefits About Your Prescription Drug Coverage and Medicare

**No action is required of you at this time. Please read this notice carefully and keep it where you can find it.**

There are two important things you need to know about your current 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 Texas System Office of Employee Benefits has determined that the prescription drug coverage offered by the UT SELECT Medical plan 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.

### Frequently Asked Medicare Questions and Answers

#### 1. 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.

#### 2. What Happens To Your Current Coverage If You Decide to Join A Medicare Drug Plan?

Enrollees of the UT SELECT Medical plan are automatically enrolled in prescription drug coverage. It is not possible to enroll in UT SELECT Medical coverage and decline or waive the prescription drug portion of the coverage. If you decide to join a Medicare drug plan, you are not required to drop your current UT SELECT Medical plan coverage. If you elect part D coverage in addition to your UT SELECT

Medical coverage, the pharmacy benefits you are eligible for under your UT SELECT Medical will coordinate with your Part D coverage.

If you do decide to join a Medicare drug plan and drop your current UT SELECT Medical plan coverage, be aware that you and your dependents will be able to get this coverage back during annual enrollment or following a qualified change of status event.

#### 3. 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 the UT SELECT Medical plan 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.

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

Contact your institution Benefits Office for additional information.

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 the UT SELECT Medical plan changes. You also may request a copy of this notice at any time from The Office of Employee Benefits or your institution Benefits Office.

### 5. 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).**

## Medicare Contact Information



[www.medicare.gov](http://www.medicare.gov)



**1-800-MEDICARE (1-800-633-4227)**  
TTY users call **1-877-486-2048**

# UT SELECT Medical and Medicare Coverage

## Important Notice from The University of Texas System Office of Employee Benefits (OEB) Regarding UT SELECT Medical and Medicare Coverage

The University of Texas System urges all retired employees and dependents to enroll in Medicare Parts A and B when they become eligible at age 65, or earlier if they are eligible due to a disability. Retired employees, or soon-to-be retired employees, or their dependents who are eligible for Medicare must have Medicare Parts A (typically inpatient coverage) and B (typically office visits and doctor fees) to receive the maximum benefits available from the UT SELECT medical plan. It is your responsibility to inform Blue Cross and Blue Shield of Texas (BCBSTX) if your covered dependents are Medicare-eligible.

If you are an active employee who is eligible for Medicare, you should enroll in Medicare Part A, but are not required to enroll in Medicare Part B. As a Medicare eligible active employee working in a position for at least 20 hours per week, your UT SELECT medical plan will be primary, and Medicare will be secondary (if enrolled). Medicare may be primary for some Medicare-eligible active employees with certain medical conditions. Consult with your local Social Security Administration office to learn what illnesses qualify for Medicare coverage prior to turning age 65.

If you are retired, eligible for Medicare, and are enrolled in Medicare, Medicare becomes your primary payer and pays your medical claims first; UT SELECT pays second. If you choose a doctor who accepts Medicare assignment, you will not be responsible for any difference between the billed charge and the Medicare allowed amount.

As a retired employee, if you or your Medicare-eligible dependent have declined Medicare Part B and fail to re-apply, you will be required to pay the portion that Medicare Part B would have paid as primary insurer for Part B-covered items for yourself and any Medicare-eligible dependents. In addition, if you decline Part B, you will have to pay a higher premium if you ever re-apply for Medicare coverage.

To ensure claims are correctly processed, you should contact Blue Cross and Blue Shield of Texas and report your or your dependent's Medicare Health Insurance Claim (HIC) number and the effective dates of Medicare Parts A and B immediately upon enrollment.

If you have questions regarding your specific insurance situation, please contact your institution Benefits Office, the UT System Office of Employee Benefits, Medicare, or your healthcare insurance administrator.

For additional information on the UT SELECT Medical plan and Medicare, review either the Group Benefits Handbook for Employees or the Group Benefits Handbook for Retirees available on the OEB website at ([www.utsystem.edu/offices/employee-benefits](http://www.utsystem.edu/offices/employee-benefits)).

Detailed information on Medicare is available via the Medicare website at [www.medicare.gov](http://www.medicare.gov) or by contacting Medicare at **1-800-633-4227**. TTY users should call 1-877-486-2048.