Medicare Part D Creditable Coverage

Who is affected by Creditable Coverage?

Any active employee age 65 or older or the spouse of an active employee or retiree age 65 or older. It may also apply to a disabled dependent of an active employee or early retiree who is eligible for Medicare because of their disability.

If you or any of your dependents are not Medicare eligible, this notification does not apply to you.

Why am I receiving this notice?

The notice refers to the Medicare Part D coverage that became effective January 1, 2012. Employers are required to determine if their group prescription drug program is “Creditable” based on an actuarial comparison to Medicare Part D benefit provisions. Creditable Prescription Drug Coverage is defined as a prescription drug benefit equal to or better than the benefits offered under Medicare Part D. At this time, Excellus Blue Cross Blue Shield has determined that Colgate’s current prescription drug program is creditable.

What do I need to do with this notice?

Those eligible for Medicare, as outlined above, need to keep this notice as verification of coverage under a “Creditable Prescription Drug Program.” At the time of Part D enrollment, these notices will be used to eliminate any penalty that Medicare would impose on a late entrant to Medicare Part D.

Additional Information

Contact the Human Resources Department at 315-228-7743 if you have any questions.
Important Notice from Colgate University 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 Colgate University 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 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. Colgate University has determined that the prescription drug coverage offered by the Excellus
BlueCross BlueShield PPO 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.

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
through 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 Colgate University coverage will be affected. For those
individuals who elect Part D coverage, coverage under the Colgate University plan will end for the individual and all
covered dependents.

If you do decide to join a Medicare drug plan and drop your current Colgate University coverage, be aware that you
and your dependents will not be able to get this coverage back.

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 Colgate University 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.
Starting with the end of the last month that you were first eligible to join a Medicare drug plan but didn’t join, 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.

For More Information About This Notice Or Your Current Prescription Drug Coverage…

Contact our office for further information at 315-228-7743. **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 Colgate University 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).

<table>
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<tbody>
<tr>
<td>Name of Entity/Sender:</td>
<td>Colgate University</td>
</tr>
<tr>
<td>Contact--Position/Office:</td>
<td>Human Resources</td>
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<tr>
<td>Address:</td>
<td>13 Oak Drive, Hamilton, NY 13346</td>
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<td>Phone Number:</td>
<td>315-228-7743</td>
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