

Important Notice from Southern Utah 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 Southern Utah University and about your options under Medicare's prescription drug coverage (Part D). This information can help you decide whether or not you want to join a Medicare Part D drug plan at this time. **Note:** *No action is required at this time if your current level of prescription drug coverage is adequate for your needs. This notice simply gives you information to help make informed decisions about your prescription drug coverage.*

There are two important things you should 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 (Part D) 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. Southern Utah University has determined that the prescription drug coverage offered by VRx (the University's Pharmacy Benefit Manager, in conjunction with EMI Health, the University's Medical Plan Administrator), through your employment or your spouse's employment at the University 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.

Because your existing coverage is, on average, at least as good as standard Medicare prescription drug coverage (Part D), you can keep your current coverage through your employer or your spouse's employer (Southern Utah University) and not pay a higher premium (a penalty) if you decide to join a Medicare drug plan later.

You can join a Medicare drug plan when you first become eligible for Medicare and each year from October 15th through December 7th. If you lose creditable prescription drug coverage, through no fault of your own, you will be eligible for a two (2) month Special Enrollment Period (SEP), during which time you may enroll in a Medicare Part D plan. In addition, if you lose or decide to leave employer-sponsored coverage, you will be eligible to join a Medicare Part D plan at that time using an Employer Group Special Enrollment Period. 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.

If you do decide to join a Medicare drug plan, your Southern Utah University coverage will not be affected. You will essentially have double prescription drug coverage (through SUU/VRx and through Medicare), but are paying two premium amounts (one to Medicare and one to SUU/VRx) for this coverage.

Under Southern Utah University's current traditional insurance plan, you pay \$10 co-pays for generic prescriptions, have a 30% co-insurance for brand-name prescriptions (up to \$250 per script cap), and have a 50% co-insurance for non-formulary prescriptions (up to \$350 per script cap) after you have met an annual \$50 individual/\$150 family prescription drug deductible. This coverage is on average as good as or better than Medicare Part D prescription drug plans.

Under Southern Utah University's current high deductible health plan, you pay out-of-pocket for all prescriptions until meeting the required annual medical/Rx plan deductibles (\$1,500 for single coverage/\$3,000 for family coverage). At that point, you pay \$10 co-pays for generic prescriptions, have a 30% co-insurance for brand-name prescriptions (up to \$250 per script cap), and have a 50% co-insurance for non-formulary prescriptions (up to \$350 per script cap). This coverage is on average as good as or better than Medicare Part D prescription drug plans.

You should also know that if you drop or lose your coverage with Southern Utah 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 Part D drug plan later.

If you go 63 continuous days or longer without prescription drug coverage that's at least as good as Medicare's prescription drug coverage, your monthly premium may go up by at least 1% of the base beneficiary premium per month for every month that you did not have that coverage. For example, if you go nineteen months without coverage, your premium may consistently be at least 19% higher than the 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.

If you decide to drop your SUU prescription drug coverage (currently administered by VRx), you will be able to re-enroll in this coverage at the next annual enrollment period or if you have a special enrollment opportunity.

For more information about this notice or your current prescription drug coverage contact the person listed below. NOTE: You will get this notice each year and if this coverage through Southern Utah University changes. You may also 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 available in the "Medicare & You" handbook. You'll get a copy of the handbook in the mail from Medicare. You may also be contacted directly by Medicare prescription drug plans. For more information about Medicare prescription drug plans:

- Visit www.medicare.gov for personalized help,
- Call your State Health Insurance Assistance Program (see your copy of the Medicare & You handbook for their telephone number)
- 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 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 whether or not you are required to pay a higher premium (a penalty).

Date:	October 1, 2016
Name of Entity/Sender:	Southern Utah University
Contact Person/Position:	Sheri Lopez – Benefits Manager
Address:	351 W. University Blvd., AD 106, Cedar City, UT 84720
Phone Number/Email:	435-586-7819 / sherilopez@suu.edu