

Important Notice from Princeton University About Your Prescription Drug Coverage and Medicare

Please read this notice carefully and keep it with your other important papers. This notice has information about your current prescription drug coverage with Princeton 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, 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. Starting January 1, 2006, Medicare prescription drug coverage became available to everyone with Medicare. You can get this coverage if you join a Medicare prescription drug plan or join a Medicare Advantage Plan that offers 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. Princeton University has determined that the prescription drug coverage offered 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 Princeton University has determined that your prescription drug coverage is, on average for all plan participants, expected to pay out as much as the standard Medicare prescription drug coverage will pay, you will be able to keep this coverage and not pay a higher premium (a penalty) 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 October 15th through December 7th. 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 decide to join a Medicare drug plan, your Princeton University coverage will be affected. While you may remain enrolled in the Princeton University coverage if you elect Medicare Part D, your Part D coverage will become primary and you will not be able to use your University coverage for yourself or any covered dependents.

Please remember that your prescription drug plan through Princeton University is part of your medical plan coverage. If you decide to enroll in a Medicare prescription drug plan and drop your Princeton University prescription drug coverage, be aware that you will also be dropping your medical plan coverage and you will not be able to re-enroll in a Princeton University medical plan at a later date.

Please contact us for more information about what happens to your coverage if you enroll in a Medicare prescription drug plan.

You should also know that if you drop or lose your coverage with Princeton University and don't enroll in Medicare prescription drug coverage within 63 continuous days 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's at least as good as Medicare's prescription drug coverage, your monthly premium may 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 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 enroll.

However, if you lose your current creditable prescription drug coverage, through no fault of your own, you will be eligible for a two (2) month Special Enrollment Period (SEP) to join a Medicare Part D drug plan.

For more information about this notice or your current Princeton University prescription drug coverage, please contact the Benefits Team in the Office of Human Resources at (609) 258-3302 or via e-mail at benefits@princeton.edu.

NOTE: You will receive this notice of creditable coverage annually and at other times in the future such as before the next period you can enroll in Medicare prescription drug coverage, or, if Princeton University changes its prescription drug plan coverage. You also may request a copy of the notice of creditable coverage.

More detailed information about Medicare plans that offer prescription drug coverage will be available October 2011 in the "Medicare & You 2012" handbook. You will get a copy of the handbook in the mail every year from Medicare. You may also be contacted directly by Medicare prescription drug plans. More information about Medicare prescription drug plans is also available from these places:

- 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). For more information about this extra help, visit SSA online at www.socialsecurity.gov, or call them at 1-800-772-1213 (TTY 1-800-325-0778).

Remember: Keep this notice safely with your other important papers. 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.

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Name of Entity/Sender: Princeton University

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