



System Human Resources

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- Texas A&M University
- Prairie View A&M University
- Tarleton State University
- Texas A&M International University
- Texas A&M University-Corpus Christi
- Texas A&M University-Kingsville
- West Texas A&M University
- Texas A&M University-Commerce
- Texas A&M University-Texarkana
- The Texas A&M University System
Health Science Center
- Texas Agricultural Experiment Station
- Texas Engineering Experiment Station
- Texas Cooperative Extension
- Texas Forest Service
- Texas Engineering Extension Service
- Texas Transportation Institute
- Texas Veterinary Medical
Diagnostic Laboratory

December 1, 2007

MEMORANDUM

TO: Texas A&M System Employee or Retiree

SUBJECT: Notice of Creditable Coverage Related to Medicare Part D

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

This letter confirms that the drug benefits provided through your A&M System plan have been actuarially certified to be comparable to or better than those provided by Medicare Part D.

This notice of creditable coverage is very important. It means that if you decide to enroll in Medicare Part D at a later date, you will not have to pay a late penalty. However, you may need to provide a copy of this notice when you join to show that you are not required to pay a higher premium.

Medicare Part D is the prescription drug coverage available to people who qualify for Medicare Part A and/or Medicare Part B. Enrolling or not enrolling in Medicare Part D will not change your enrollment in Medicare Parts A and/or B and will not impact the non-prescription drug part of your A&M System health coverage.

For most people, the System health plans will provide better drug benefits at a lower cost. **Therefore, you do not need to apply for this part of Medicare.** However, if you qualify for financial assistance, you will save on Part D premiums, copayments and coinsurance, which could mean you would benefit from Part D. Financial assistance is available to Medicare beneficiaries with incomes up to 150% of the Federal Poverty Level and limited resources. To determine if you qualify for financial assistance with Medicare Part D, you can contact the Social Security Administration (SSA) at 1-800-772-1213 (TTY 1-800-325-0778) or visit SSA online at www.socialsecurity.gov.

Medicare Part D coverage is offered through private prescription drug plans that have been approved by Medicare. All Medicare prescription drug plans will offer a standard level of coverage set by Medicare. If you decide to enroll in a Medicare prescription drug plan, you will pay a premium of about \$25 per month, although some providers may charge less. This fee will likely change over time. You will also have to pay a deductible of \$275 a year.

If you are eligible for Medicare, you can receive prescription drug benefits *either* from your A&M System health plan *or* from Medicare Part D. **You cannot**

receive benefits from both. Your options include keeping your A&M System health coverage and not enrolling in Part D, or keeping your A&M System health coverage and also enrolling in Part D. Drug coverage will continue to be a part of whichever A&M System health plan you currently have. If you choose to enroll in Medicare Part D, your A&M System health premiums will *not* decrease, and you will *not* be able to use your A&M System plan's drug benefits, including the drug copayments, and Medicare Part D for the same prescriptions. **For these reasons, we recommend that you *not* enroll in Medicare Part D.**

You can enroll in a Medicare prescription drug plan when you first become eligible for Medicare or from November 15 to December 31 of any later year. Normally, you would have to pay a penalty if you enrolled after your initial eligibility date. However, since you have creditable coverage, you can enroll in a later year without a penalty. If you drop or lose your A&M System coverage and don't enroll in Medicare Part D within 63 days after your coverage ends, you may be required to pay more to enroll in Medicare prescription drug coverage later. In this case, you may enroll as soon as you drop or lose A&M System coverage and don't have to wait until the annual enrollment period.

You are entitled to receive a copy of this notice at any time, and we will provide notice in our annual enrollment materials to confirm that the coverage you have through the A&M System is still considered creditable. More detailed information about Medicare plans that offer prescription drug coverage is available in the "Medicare & You 2008" handbook you should have received by mail from Medicare. You can also get more information about Medicare prescription drug plans by:

- Visiting <http://www.medicare.gov> for personalized help
- 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.