Annual Notice of Creditable Prescription Drug Coverage
October 4, 2017

IMPORTANT INFORMATION REGARDING YOUR PRESCRIPTION DRUG COVERAGE AND MEDICARE

This notice is being distributed to all employees covered under the group medical insurance plan offered by the University of Hartford. Please note that this notice only applies to employees, their spouse and/or dependent children who are eligible for Medicare prescription drug benefits. If you and/or your covered dependent(s) are not Medicare eligible, this document is for information purposes only.

If you and/or your benefit-eligible covered dependent(s) are Medicare eligible, please read this notice carefully and keep it where you can find it. This notice has information about your current prescription drug coverage with the University of Hartford and prescription drug coverage available for people covered by Medicare. This notice is intended to assist you in making an informed decision about your prescription drug coverage.

OVERVIEW

1. Medicare prescription drug coverage became available to everyone enrolled in Medicare in 2006. 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. The University of Hartford, together with our broker and an outside actuarial firm, has determined that the prescription drug coverage offered under the United Healthcare Point of Service (POS) Plan and the United Healthcare Deductible-based Plan (DBP), on average for all plan participants, is expected to pay out as much as the standard Medicare prescription drug coverage will pay. These plans are therefore considered creditable coverage for this purpose.

If you are enrolled in the United Healthcare POS or DBP, your current prescription drug coverage is as follows:

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<th>RETAIL PHARMACY</th>
<th>Up to a 30-day supply, including oral contraceptives.</th>
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<td><strong>POS Plan</strong></td>
<td><strong>DBP</strong></td>
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<td>- $10 co-pay for generics (if less than $10, the actual cost of prescription),</td>
<td>- Covered at 90% of retail network pharmacy’s reasonable and customary charge, after deductible ($1500 individual/$3000 family) is met until maximum out of pocket is reached ($3000 individual/$6000 family).</td>
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<td>- 25% co-insurance (minimum $25 to maximum $50) for formulary brand name drugs, and</td>
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<td>- 35% coinsurance (minimum $40 to maximum $80) for non-formulary brand name and specialty drugs.</td>
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MAIL-ORDER
Member pays twice the appropriate co-pay for mail order services, up to 90-day supply.
By contrast, the Medicare Part D benefit is structured to provide coverage for prescription drug coverage as follows:

- The first $405 in prescription drug expenses will be the member’s responsibility as an annual deductible.
- Of the next $3,750 of prescription drug expenses, you will have to pay 35% for most brand name drugs and 56% for generic drugs.
- Finally, once $5,000 in out-of-pocket prescription drug expenses have been paid by the Medicare enrollee, Medicare Part D will pay 95% of all subsequent prescription drug expenses and the Medicare enrollee is responsible for the remaining 5% of these costs (or $3.35 for generics and $8.35 for brand name drugs – whichever is greater).

Because your existing prescription drug coverage is, on average, at least as good as standard Medicare prescription drug coverage, and if you are enrolled in the United Healthcare POS or DBP, you can keep your current coverage and not pay extra if you decide to enroll in a Medicare prescription drug plan later.

In most cases, the United Healthcare POS or DBP provide primary coverage. This means that even if you are eligible for Medicare, the University of Hartford’s group medical insurance plan pays your health claims first if you are actively employed, regardless of your age.

Individuals can enroll in a Medicare prescription drug plan when they first become eligible for Medicare as well as each year from October 15th through December 7th. Beneficiaries terminating a University of Hartford’s group medical insurance plan may also be eligible for a Special Enrollment Period (SEP) and can sign up for Medicare prescription drug coverage at that time without penalty. Refer to the applicable summary plan description for specific details on Special Enrollment Periods, available at www.hartford.edu/hrd.

You should carefully compare your current prescription drug coverage, including which drugs are and are not 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 current University of Hartford group health plan coverage will not be affected. You and your dependent(s) can enroll in a Medicare Part D plan as a supplement to, or in lieu of, the group health plan coverage. However, if your existing prescription drug coverage is under a Medigap policy, you cannot have an existing prescription drug coverage and Medicare Part D coverage. If you enroll in Part D coverage, you should inform your Medigap insurer of that fact, and the Medigap insurer must remove the prescription drug coverage from the Medigap policy and adjust the premium as of the date the Part D coverage starts.

If you drop your current prescription drug coverage and enroll in Medicare prescription drug coverage, you may enroll back into the University of Hartford’s benefit plan during an annual open enrollment period under either the United Health Care POS or DBP benefit plans.

Please be advised that if you drop (or lose) your coverage with the University of Hartford and do not enroll in Medicare prescription drug coverage after your current coverage ends, you may pay more to enroll in Medicare prescription drug coverage later. If you do not have prescription drug coverage that is at least as good as Medicare’s prescription drug coverage for 63 days or longer, your monthly premium will go up at least 1% per month for every month that you did not have coverage. For example, if you go 19 months without coverage, your premium will ALWAYS be 19% higher than what most other people pay, and you will have to pay this higher premium as long as you have Medicare prescription drug coverage. In addition, you may have to wait until the following November to enroll in this plan.

Note: You will receive this notice annually as well as at other times in the future (such as before the next period you can enroll in Medicare prescription drug coverage) and/or if your current coverage changes. You may also request a copy of this notice at any time.
For more information about this notice, or your current prescription drug coverage, please visit www.hartford.edu/hrd or contact the Office of Human Resources Development at the University of Hartford at the number listed below.

More detailed information about Medicare plans that offer prescription drug coverage is available in the “Medicare & You” handbook, which you will receive in the mail every year directly from Medicare if you are eligible for Medicare. You may also be contacted directly by Medicare prescription drug plans. You can get more information about Medicare prescription drug plans from the following:

- Visit the Medicare website at www.medicare.gov; or
- Call your state Health Insurance Assistance Program (refer to your “Medicare & You” handbook for the telephone number) for personalized help; or
- Call 1-800-MEDICARE (1.800.633.4227). TTY users should call 1.877.486.2048.

Extra help paying for a Medicare prescription drug plan may be available for people with limited income and resources. For more information about this help, visit the Social Security Administration website at www.socialsecurity.gov, or call 1.800.772.1213. TTY users should call 1.800.325.0778.

Remember: Keep this notice. If you enroll in one of the prescription drug plans approved by Medicare, you may be required to provide a copy of this notice to confirm your prior coverage as well as prove that you are not required to pay a higher premium.

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