



IMPORTANT NOTICE FROM EGYPTIAN AREA SCHOOLS EMPLOYEE BENEFIT TRUST ABOUT YOUR PRESCRIPTION DRUG COVERAGE UNDER THE HDHP PLAN AND MEDICARE

If you are eligible for Medicare, please read this notice carefully.

Please read this notice carefully and keep it where you can find it. This notice has information about your current prescription drug coverage with Egyptian Area Schools Employee Benefit Trust if you are enrolled in the HDHP Plan 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. Information about where you can get help to make decisions about your prescription drug coverage is at the end of this notice.

There are three 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. Egyptian Area Schools Employee Benefit Trust has determined that the prescription drug coverage offered by the Egyptian HDHP Plan is, on average for all plan participants, NOT expected to pay out as much as standard Medicare prescription drug coverage pays. Therefore, your coverage is considered Non-Creditable Coverage. This is important because, most likely, you will get more help with your drug costs if you join a Medicare drug plan, than if you only have prescription drug coverage from the Egyptian HDHP Plan. This also is important because it may mean that you may pay a higher premium (a penalty) if you do not join a Medicare drug plan when you first become eligible.
3. You can keep your current coverage from the Egyptian HDHP Plan. However, because your coverage is non-creditable, you have decisions to make about Medicare prescription drug coverage that may affect how much you pay for that coverage, depending on if and when you join a drug plan. When you make your decision, you should compare your current coverage, including what drugs are covered, with the coverage and cost of the plans offering Medicare prescription drug coverage in your area. Read this notice carefully - it explains your options.

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 to December 7th.

If you moved from the Egyptian Plan A, B, or C to the Egyptian HDHP Plan you may be eligible for a two (2) month Special Enrollment Period (SEP) to join a Medicare drug plan.

When Will You Pay A Higher Premium (Penalty) To Join A Medicare Drug Plan?

Since the coverage under Egyptian HDHP Plan is not creditable, depending on how long you go without creditable prescription drug coverage you may pay a penalty to join a Medicare drug plan. 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 prescription drug coverage that's creditable, 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 (penalty) as long as you have Medicare prescription drug coverage. In addition, you may have to wait until the following November to join.

What Happens To Your Current Coverage If You Decide to Join A Medicare Drug Plan?

The Egyptian Trust does not offer prescription drug coverage separately from other health care benefits, so you cannot drop your prescription drug coverage and keep your other health coverage with the Egyptian Trust. If you choose to enroll in a Medicare prescription drug plan and keep your coverage with the Trust, your prescription drug benefits will be coordinated with the prescription drug benefits provided by the Trust so benefits are not duplicated. If you are an active employee or dependent of an active employee, the Egyptian Trust will be your primary prescription drug coverage. If you are a retired employee or dependent of a retired employee, the Medicare plan will be your primary coverage if you enroll in a Medicare prescription drug plan. In either case, prescription drug costs paid by the Egyptian Trust will not count as out-of-pocket expenses under your Medicare prescription drug plan.

If you have Medicare and are retired or pay all of the cost of your coverage yourself, it may be cheaper for you to drop your coverage with the Egyptian Trust. You may buy a private Medicare supplement (Medigap) policy and a Medicare prescription drug plan for less than what you pay for your coverage with the Trust. Alternatively, you may enroll in a Medicare Advantage Plan instead of regular Medicare and receive all of your health care benefits, including prescription drug coverage, from a single provider. **You should know, however, that if you drop your coverage, you and your dependents cannot reenroll in the Egyptian Trust Medical Benefit Plan after you retire.**

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.
- 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, or call them at 1-800-772-1213 (TTY 1-800-325-0778).

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

Contact: Care Coordinators at 855-452-9997

You will receive this notice each year. You will also get it before the next period you can join a Medicare drug plan and if there is a significant change in coverage offered by the **Egyptian Trust**. You also may request a copy of this notice from Meritain Health at any time.

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Date:	October, 2014
Name of Plan:	Egyptian Area Schools Employee Medical Benefit Plan
Contact:	Meritain Health
Address:	1109 Hartman Lane, Suite 202 Shiloh, IL 62221
Phone Number:	800-844-7979