

Creditable Coverage Disclosure Notice

Important Notice from Franklin & Marshall College 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 Franklin & Marshall College 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, covered drugs and the cost of your drugs with the coverage and costs of Medicare plans offering 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 prescription drug coverage and Medicare's prescription drug coverage:

1. Medicare prescription drug coverage became available in 2006 to everyone who has 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. Franklin & Marshall College has determined that the prescription drug coverage offered by Highmark is, on average for all plan participants, expected to pay out as much as the standard Medicare prescription drug coverage pays and therefore considered Creditable Coverage. Because your existing coverage is Creditable Coverage, you can keep this coverage and not pay a higher premium (a penalty) if you later decide to join a Medicare drug plan.

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 15 to December 7. However, if you lose your current Creditable prescription drug coverage, through no fault of your own, you will also be eligible for a two (2) month Special Enrollment Period (SEP) to join a Medicare drug plan.

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

If you decide to join a Medicare drug plan, your current Franklin & Marshall College coverage will not be affected. The prescription drug coverage that is offered through Franklin & Marshall College has no annual deductible. Participants are responsible for copayments/coinsurance rates that vary by the drug type and whether the prescription is filled at a retail pharmacy or through mail order.

Creditable Coverage Disclosure Notice (cont.)

There is no annual prescription deductible. Coinsurance for prescriptions obtained at a participating retail pharmacy (up to a 31-day supply) are: 15% for Generic Drugs with a \$5 minimum and \$15 maximum; 25% for Formulary Brand drugs with a \$20 minimum and \$50 maximum; 35% for Non-Formulary Brand drugs with a \$50 minimum and \$80 maximum; and 35% for Specialty drugs with a \$50 minimum and \$50 maximum.

For prescriptions obtained at a participating mail-order pharmacy (up to a 90-day supply), the coinsurance is: 15% for Generic Drugs with a \$12 minimum and \$37 maximum; 25% for Formulary Brand drugs with a \$40 minimum and a \$100 maximum; and 35% for Non-Formulary drugs with a \$100 minimum and \$160 maximum.

If you do decide to join a Medicare drug plan and drop your current Franklin & Marshall College prescription drug coverage, be aware that you and your dependents will be able to get this coverage back.

When Will You Pay a Higher Premium (Penalty) to Join a Medicare Drug Plan?

You should also know that if you drop or lose your current coverage with Franklin & Marshall College and don't join a Medicare prescription drug plan within 63 continuous days after your current coverage ends, you may pay a higher premium (a penalty) to join a Medicare drug plan later.

If you go 63 days or longer without Creditable prescription drug coverage, 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 19 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 (a penalty) as long as you have Medicare prescription drug coverage. In addition, you may have to wait until the following October to join.

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

Contact the person listed on the following page for further information. **NOTE:** You'll get this notice each year. You will also get it before the next period you can join a Medicare drug plan, and if this coverage through the Franklin & Marshall College changes. You also may 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 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.

Creditable Coverage Disclosure Notice (cont.)

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).

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, therefore, whether or not you are not required to pay a higher premium (a penalty).

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