

Important Notice from Willamette University 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 Willamette University and new prescription drug coverage which became available January 1, 2006 for people with Medicare. It also tells you where to find more information to help you make decisions about your prescription drug coverage.

- 1. Starting January 1, 2006, new Medicare prescription drug coverage was made available to everyone with Medicare.**
- 2. Willamette University has determined that the prescription drug coverage offered through both the Pioneer Educators Health Trust and Kaiser Permanente is, on average for all plan participants, expected to pay out as much or more than the standard Medicare prescription drug coverage will pay.**
- 3. Read this notice carefully - it explains the options you have under Medicare prescription drug coverage, and can help you decide whether or not you want to enroll.**

Willamette University has determined that your prescription drug coverage with Pioneer Educators Health Trust or Kaiser, whichever you and/or your spouse have elected, is, on average for all plan participants, expected to pay out as much or more than the standard Medicare prescription drug coverage will pay.

Starting January 1, 2006, prescription drug coverage became available to everyone with Medicare through Medicare Part D. All Medicare prescription drug plans will provide at least a standard level of coverage set by Medicare. Some plans might also offer more coverage for a higher monthly premium.

If you are enrolled in one of Willamette's health plans with prescription drug coverage, your existing coverage is on average at least as good as standard Medicare prescription drug coverage. This means you can keep this coverage in lieu of opting for Medicare Part D prescription coverage and not have to pay extra if you later decide to enroll in Medicare's Part D prescription drug coverage (ie. when you retire or otherwise choose not to be enrolled in Willamette's health plans).

Upon eligibility for Medicare, you have the choice to enroll in Medicare Part D prescription drug coverage. However, because you have existing prescription drug coverage that, on average, is as good as Medicare coverage, you can choose to join a Medicare prescription drug plan later. Each year after that, you will have the opportunity to enroll in a Medicare prescription drug plan between November 15th and December 31st.

If you do decide to enroll in a Medicare prescription drug plan and drop your Willamette University sponsored coverage, be aware that you may not be able to get this coverage back when you want to.

If you drop your coverage with Willamette University and enroll in a Medicare prescription drug plan, you may not be able to get this coverage back later, except at open enrollment or upon the occurrence of a qualifying event as defined under Internal Revenue Code. 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. *Specific Information concerning prescription drug coverage on either plan may be obtained through the Willamette Human Resources office, 900 State Street, Salem, Oregon, or on-line at www.willamette.edu/dept/hr/benefits/.*

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Please note, your current coverage pays for other health expenses, in addition to prescription drugs. You will still be eligible to receive all of your current health and prescription drug benefits if you choose to enroll in a Medicare prescription drug plan, and your Willamette-sponsored coverage will be primary.

You should also know that if you drop or lose your coverage with Willamette University and don't enroll in Medicare prescription drug coverage after your current coverage ends, you may pay more to enroll in Medicare prescription drug coverage later. If after May 15, 2006, 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 will go up at least 1% per month for every month after May 15, 2006 that you did not have that coverage. For example, if you go nineteen months without coverage, your premium will always be at least 19% higher than what most other people pay. You'll have to pay this higher premium as long as you have Medicare coverage. In addition, you may have to wait until next November to enroll.

**For more information about this notice
or your current prescription drug coverage...**

Contact the Willamette University Human Resources office at (503) 370-6210 for further information. NOTE: You may receive this notice at other times in the future such as before the next period you can enroll in Medicare prescription drug coverage, and if this coverage changes. You also may request a copy.

**For more information about your options under
Medicare prescription drug coverage...**

More detailed information about Medicare plans that offer prescription drug coverage will be available in October 2005 in the "Medicare & You 2006" handbook. You'll get a copy of the handbook in the mail from Medicare. You may also be contacted directly by Medicare prescription drug plans. You can also get more information about Medicare prescription drug plans from these places:

- Visit www.medicare.gov for personalized help,
- Call your State Health Insurance Assistance Program (see your copy of the Medicare & You handbook for their telephone number)
- 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 a Medicare prescription drug plan 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. If you enroll in one of the new plans approved by Medicare which offer prescription drug coverage after May 15, 2006, you may need to give 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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