

Important Information Regarding Medicare Part D Prescription Drug Coverage for 2010

Dear Employees,

The enclosed notice is being sent to Plan members because it contains valuable information on the "Medicare Part D" prescription drug program. Please read this document carefully, as it will provide you with information regarding changes to Medicare, which may impact you either now or in the future.

If you, your spouse, or dependent(s) are not eligible for Medicare, this information will not pertain to you at this time, but may in the future.

In 2006, prescription drug coverage became available under Medicare for individuals that are Medicare eligible. The Medicare prescription drug program enrollment period for eligible members starts November 15, 2010 and extends through December 31, 2010.

If you or any of your dependents are eligible for Medicare, you may decide to defer your enrollment into one of the Medicare part D programs until later, since you are already covered under our employer-sponsored prescription drug plan. The coverage offered through our employer-sponsored prescription drug plan is, on average for most plan participants, expected to pay out as much as the standard Medicare prescription drug coverage pays under Medicare Part D. By delaying your enrollment in the Medicare Part D program, you will save premium costs until you actually enroll in Medicare Part D benefits. People who are eligible to enroll in Medicare Part D benefits now, but decide not to enroll until later, will have the opportunity to enroll in Part D benefits between November 15 and December 31 each year.

Please keep these documents for future reference.

Important Notice from Southeast Local Schools **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 Southeast Local Schools 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, including which drugs are covered at what cost, with the coverage and costs of the plans offering Medicare 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 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. Southeast Local Schools has determined that the prescription drug coverage offered by the *Southeast Local Schools Employee Benefit Plan* is, on average for all plan participants, expected to pay out at least as much as the standard Medicare prescription drug coverage pays, and is 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 November 15 through December 31. 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 Southeast Local Schools coverage may be affected. If you decide to join a Medicare drug plan and drop your current Southeast Local Schools coverage, be aware that you and your dependents may not be able to get this coverage back.

Currently, expenses for necessary prescription drugs are reimbursed at 100% under the Southeast Local Schools medical plan, after a \$5 or \$10 co-payment for retail drugs, or a \$10, or \$20 co-payment for mail order drugs, depending on the type of drug purchased.

Please remember, your current coverage pays for other health expenses, in addition to prescription drugs, and 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.

For more information about this notice or your current prescription drug coverage, Contact:

Eric Koehler at 330-698-3001
soea_koehler@tccsa.net

NOTE: You will 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 Southeast Local Schools. You also may request a copy of this notice at any time.

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 Southeast Local Schools and don't join a Medicare 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 continuous 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 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 (a penalty) as long as you have Medicare prescription drug coverage. In addition, you may have to wait until the following November to join.

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).

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 required to pay a higher premium (a penalty).

Date:	November 15, 2010
Name of Entity/Sender:	Southeast Local Schools
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