

# Important Notice from MIT about your Prescription Drug Coverage and Medicare

## Medicare Part D

### **MIT Notice of Creditable Prescription Drug Coverage**

for retirees, their spouses/spousal equivalents, and participants on Long Term Disability covered by Harvard Pilgrim First Seniority and Tufts Medicare Preferred (*formerly Secure Horizons*)

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***This notice is important. If necessary, have it translated.  
Importante. Traduzca este aviso, der ser necessário.***

#### **Introduction**

Please read this notice carefully, and keep it where you can find it for future reference.

This notice has information about your current prescription drug coverage provided by MIT and new prescription drug coverage available January 1, 2006 for people with Medicare. It also tells you where to find more information. All of this information can help you decide if you want to join the new Medicare Part D.

#### **Three Key Points**

##### **1. New Medicare Part D prescription drug coverage**

Starting January 1, 2006, new Medicare prescription drug coverage (commonly known as **Medicare Part D**) will be available to everyone with Medicare. You may join Medicare Part D if you wish. You must pay a monthly premium to Medicare if you join Medicare Part D. However, joining Medicare Part D will severely affect your medical coverage. See number 3, below.

##### **2. MIT's comprehensive prescription drug coverage**

MIT has determined that it offers you *creditable prescription drug coverage*. In other words, MIT has determined that the prescription drug coverage it offers you is, on average for all participants, expected to pay out as much or more than the standard Medicare Part D plan. Therefore, with MIT's coverage—in many cases—you will pay less out of your pocket for prescriptions than with the standard Medicare Part D plan.

##### **3. Benefit Protection—Join Medicare Part D, Lose HMO Coverage**

If you choose to join Medicare Part D, neither Harvard Pilgrim First Seniority nor Tufts Medicare Preferred (*formerly Secure Horizons*) will permit you to stay in its plan. Therefore, if you join Medicare Part D you will **lose** your medical coverage from Harvard Pilgrim or Tufts.

This means you will be left with only Medicare Parts A, B, and D. To close the significant gaps in Medicare coverage you will need to join another Medicare supplement plan offered by MIT.

You may have to wait until MIT's annual open enrollment to join another Medicare supplement plan. In addition, joining another Medicare supplement plan means you may have to find new doctors and learn new procedures.

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#### ***General Information***

#### **MIT Prescription Drug Coverage**

Your health insurance plan from MIT provides *creditable coverage* for prescription drugs both at home and in the hospital. In other words, MIT has determined that the prescription drug coverage it offers you is, on average for all participants, expected to pay out as much or more than the standard Medicare Part D plan.

#### **Medicare Part D Prescription Drug Coverage**

Starting January 1, 2006, prescription drug coverage will be available to everyone with Medicare through Medicare Part D prescription drug plans.

Medicare has appointed a number of private insurance companies to offer Medicare Part D prescription drug plans. For a monthly premium, each of the companies provides at least one plan that meets a minimum, standard level of coverage set by Medicare. The companies also might offer other, richer plans for a higher monthly premium.

#### **Extra Help Paying for Medicare Part D**

If you are on Medicaid or have very limited financial resources you may be eligible for extra help from Medicare Part D in paying for your prescriptions. This extra help may make Medicare Part D more attractive to you than your MIT prescription drug coverage. To learn if you are eligible for extra help contact your local Social Security Office, visit [www.socialsecurity.gov](http://www.socialsecurity.gov) on the internet, or call 1-800-772-1213 (TTY number 1-800-325-0778).

#### **Joining Medicare Part D**

While there are some reasons to decide not to enroll in Medicare Part D at this time, you may choose to do so—now or later.

#### **Joining Now—November 15, 2005 – May 15, 2006**

If you choose to join Medicare Part D, you must do so during its open enrollment period. The Medicare Part D open enrollment period will differ from MIT's benefits open enrollment period.

The first Medicare Part D open enrollment period will be November 15, 2005 – May 15, 2006. If you enroll between November 15 and December 31, 2005 your Medicare Part D coverage will start on January 1, 2006. If you enroll between January 1, 2006 and May 15, 2006, your part Medicare Part D coverage will start on the first of the month following the date you submit your completed enrollment application.

Future Medicare Part D open enrollment periods will be November 15 – December 31 of each year.

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#### **Joining Later—after May 15, 2006**

Since you already have *creditable prescription drug coverage* from MIT you may decide not to join Medicare Part D now. However, if you lose or decide to drop your MIT coverage and go 63 days or more before joining Medicare Part D, you will have to pay a penalty for late enrollment. This late enrollment penalty will increase your Medicare Part D premium by at least 1% for every month you are late in joining Medicare Part D.

For example, if you go 19 months without coverage, your Medicare Part D 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. Also, you may have to wait until the next November to join Medicare Part D.

#### **Dropping Medicare Part D**

If, after enrolling in Medicare Part D, you decide that you would prefer to have MIT prescription drug coverage, you may drop Medicare Part D and rejoin MIT's coverage. However, you will have to wait until MIT's annual open enrollment period to rejoin MIT's coverage.

MIT's open enrollment period is generally during late autumn, with the exact dates varying from year to year.

Remember that MIT reserves the right to change its plan and plan rules in the future.

#### ***Additional Information***

##### **Information in the future**

MIT will send you its ***Notice of Creditable Prescription Drug Coverage*** each year before Medicare Part D open enrollment begins on November 15. Also, if MIT changes its prescription drug coverage so that it is no longer as good as or better than Medicare's standard Part D plan (or if MIT drops its prescription drug coverage), the Institute will send you an important notice about joining Medicare Part D.

Finally, you may request a copy of MIT's ***Notice of Creditable Prescription Drug Coverage*** at any time.

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#### **Other Sources of Information**

Medicare's handbook, *Medicare & You 2006*, provides more detailed information about Medicare Part D. Since you are covered by Medicare, the government office that administers Medicare will send you a copy of this handbook automatically.

You may be contacted directly by one of the insurance companies Medicare has hired to provide Part D coverage.

For information about your current MIT coverage (both prescription drug and medical benefits) call:

- Harvard Pilgrim First Seniority 1-800-238-6420
- Tufts Medicare Preferred (*formerly Secure Horizons*) 1-800-246-2400
- MIT Benefits Office
  - telephone: 617-452-3694 (TTY number 617-258-9344)
  - email: MedipartD@mit.edu

You can also get more information about Medicare Part D by

- visiting the internet at [www.medicare.gov](http://www.medicare.gov)
- calling Medicare at 1-800-633-4227 (TTY number 1-877-486-2048)
- calling your state's Health Insurance Assistance Program
  - Massachusetts: 1-800-243-4636
  - Florida: 1-800-963-5337
  - New Hampshire: 1-800-852-3388 in-state calls, only

### **Final Reminder**

Keep this *Notice*. If you decide to join Medicare Part D after May 15, 2006, you may need to present a copy of this *Notice* when you join to show that you are not required to pay a late enrollment penalty.

*Prepared by*

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