

***THIS NOTICE APPLIES TO MEDICARE ELIGIBLE MEMBERS ONLY
(Members include Medicare-eligible active and former employees, dependents,
individuals eligible for Medicare due to disability, and individuals eligible for Medicare
due to End Stage Renal Disease)***

**Important Notice from Western Kentucky 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 Western Kentucky University (the “WKU Health 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.

- 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. Western Kentucky University has determined that the prescription drug coverage offered by the WKU Health Plan (which is administered by Wellpoint Next Rx) is, on average for all plan participants, expected to pay out as much as standard Medicare prescription drug coverage pays and is considered Creditable Coverage.**

Because your existing coverage is, on average, at least as good as standard Medicare prescription drug coverage, you can keep this coverage and not pay a higher premium (a penalty) if you later decide to join a Medicare drug plan.

You can join a Medicare drug plan when you first become eligible for Medicare and each year from November 15th through December 31st. This may mean that you may have to wait to join a Medicare drug plan and that you may pay a higher premium (a penalty) if you join later. You may pay that higher premium (a penalty) as long as you have Medicare prescription drug coverage. However, if you lose creditable prescription drug coverage, through no fault of your own, you will be eligible for a sixty (60) day Special Enrollment Period (SEP) because you lost creditable coverage to join a Part D plan.

Your coverage under the WKU Health Plan as an active employee, or dependent or spouse of an active employee, will not be affected if you and/or your dependents choose to be covered by a Medicare prescription drug plan in addition to the WKU Health Plan. If you do decide to enroll in a Medicare prescription drug plan and drop your WKU Health Plan prescription drug coverage, be aware that you and your dependents will not be able to re-enroll for coverage in the WKU Health Plan until the next annual enrollment period, or a qualifying change in status, if earlier. (However, you will only be able to re-enroll if you are eligible for coverage at the time your re-enrollment would be effective, e.g., you are a Western Kentucky University employee who is eligible for benefits.). Also, your current coverage pays for other health

***THIS NOTICE APPLIES TO MEDICARE ELIGIBLE MEMBERS ONLY
(Members include Medicare-eligible active and former employees, dependents,
individuals eligible for Medicare due to disability, and individuals eligible for Medicare
due to End Stage Renal Disease)***

expenses, in addition to prescription drugs. If you choose to drop prescription drug coverage from the WKU Health Plan, you must also drop your medical coverage as well. Therefore, you should carefully 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.

Please contact us for more information about what happens to your current coverage if you join a Medicare drug plan.

The current prescription drug coverage offered by Western Kentucky University is outlined below:

Tier Level	High Option Retail Prescription (up to 30 day supply)	Standard Option Retail Prescription (up to 30 day supply)	Economy Option Retail Prescription (up to 30 day supply)
Generic	\$10 Co-pay	\$15 Co-pay	\$15 Co-pay
Brand Formulary	\$25 Co-pay	\$30 Co-pay	\$35 Co-pay
Brand Non-Formulary	\$35 Co-pay	\$45 Co-pay	\$45 Co-pay

Tier Level	High Option Mail Order Prescription (90 day supply)	Standard Option Mail Order Prescription (90 day supply)	Economy Option Mail Order Prescription (90 day supply)
Generic	\$20 Co-pay	\$30 Co-pay	\$30 Co-pay
Brand Formulary	\$50 Co-pay	\$60 Co-pay	\$70 Co-pay
Brand Non-Formulary	\$70 Co-pay	\$90 Co-pay	\$90 Co-pay

If you do decide to join a Medicare drug plan and drop your WKU Health Plan prescription drug coverage, be aware that you and your dependents may not be able to get this coverage back.

You should also know that if you drop or lose your coverage with the WKU Health Plan 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 prescription drug coverage that's at least as good as Medicare's prescription drug coverage, your monthly premium may go up by at least 1% of the base beneficiary premium per month for every month that you did not have that coverage. For example, if you go nineteen months without coverage, your premium may

***THIS NOTICE APPLIES TO MEDICARE ELIGIBLE MEMBERS ONLY
(Members include Medicare-eligible active and former employees, dependents,
individuals eligible for Medicare due to disability, and individuals eligible for Medicare
due to End Stage Renal Disease)***

consistently be at least 19% higher than the 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 this notice or your current prescription drug coverage...

Contact the person listed below 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 WKU Health Plan 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 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 whether or not you are required to pay a higher premium (a penalty).

Date:	October 20, 2009
Name of Entity/Sender:	Western Kentucky University
Contact--Position/Office:	Kari Aikins, Manager, Employee Benefits and Retirement Human Resources Department
Address:	1906 College Heights Blvd. #11003 Bowling Green, KY 42101
Phone Number:	270-745-5346