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 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. Western Kentucky University has determined that the prescription drug coverage offered by the WKU Health Plan is, on average for all plan participants, expected to pay out as much as 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 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 WKU Health Plan coverage will not be affected.

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 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.

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 Western Kentucky University 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 that 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 October to join.

For More Information About This Notice Or Your Current Prescription Drug Coverage…

Contact the person listed below for further information at (270) 745-5360. 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 Western Kentucky University changes. You also may request a copy of this notice at any time.

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

<table>
<thead>
<tr>
<th>Tier Level</th>
<th>Saver/2,600 Option Retail/Mail Order Prescription</th>
<th>PPO/1,000 Option Retail/Mail Order Prescription</th>
<th>PPO/1,500 Option Retail/Mail Order Prescription</th>
</tr>
</thead>
<tbody>
<tr>
<td>Annual Deductible</td>
<td>$2,600/$4,600</td>
<td>$1,000/$2,000</td>
<td>$1,500/$3,000</td>
</tr>
<tr>
<td>(Single/Family)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tier 1 Generic</td>
<td>$10/25 Co-pay After deductible</td>
<td>$10/25 Co-pay After deductible</td>
<td>$10/25 Co-pay After deductible</td>
</tr>
<tr>
<td>Tier 2 Brand Preferred</td>
<td>$30/75 Co-pay After deductible</td>
<td>$30/75 Co-pay After deductible</td>
<td>$30/75 Co-pay After deductible</td>
</tr>
<tr>
<td>Tier 3 Brand Non-Preferred</td>
<td>50% Coinsurance (min $40, max $140) After deductible</td>
<td>50% Coinsurance (min $40, max $140) After deductible</td>
<td>50% Coinsurance (min $40, max $140) After deductible</td>
</tr>
</tbody>
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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](http://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](http://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: October 15, 2014
Name of Entity/Sender: Western Kentucky University
Contact--Position/Office: Kari Aikins, Asst. Director, Total Compensation, Human Resources
Address: 1906 College Heights Blvd 11003
Bowling Green, KY 42101
Phone Number: 270-745-5360
WESTERN KENTUCKY UNIVERSITY EMPLOYEE HEALTH PLAN
NOTICE OF PRIVACY PRACTICES

THIS NOTICE DESCRIBES HOW MEDICAL INFORMATION ABOUT YOU MAY BE USED AND DISCLOSED AND HOW YOU CAN GET ACCESS TO THIS INFORMATION. PLEASE REVIEW IT CAREFULLY.

Certain employer-sponsored health plans are required by the privacy regulations issued under the Health Insurance Portability and Accountability Act of 1996 (“HIPAA”) to maintain the privacy of your health information that the plan creates, requests, or is created on the Plan's behalf, called Protected Health Information (“PHI”) and to provide you, as a participant, covered dependent, or qualified beneficiary, with notice of the plan's legal duties and privacy practices concerning Protected Health Information.

The terms of this Notice of Privacy Practices (“Notice”) apply to the following plans (collective and individually reference in this Notice as the “Plan”):
- ANTHEM BLUE CROSS BLUE SHIELD SAVER/2,600 HEALTH PLAN
- ANTHEM BLUE CROSS BLUE SHIELD PPO/1,000 HEALTH PLAN
- ANTHEM BLUE CROSS BLUE SHIELD PPO/1,500 HEALTH PLAN

This Notice describes how the Plan may use and disclose your PHI to carry out payment and health care operations, and for other purposes that are permitted or required by law.

The Plan is required to abide by the terms of this Notice so long as the Plan remains in effect. The Plan reserves the right to change the terms of this Notice as necessary and to make the new Notice effective for all PHI maintained by the Plan. Copies of revised Notices in which the has been a material change will be mailed to all participants then covered by the Plan. Copies of our current Notice may be obtained by calling the Privacy Office at the telephone number or address below.

DEFINITIONS

Plan Sponsor means Western Kentucky University and any other employer that maintains the Plan for the benefit of its associates.

Protected Health Information (“PHI”) means individually identifiable health information, which is defined under the law as information that is a subset of health information, including demographic information, that is created or received by the Plan and that relates to your past, present, or future physical or mental health or condition; the health care services you receive; or the past, present, or future payment for the health care services you receive; and that identifies you, or for which there is a reasonable basis to believe the information can be used to identify you.

USES AND DISCLOSURES OF YOUR PROTECTED HEALTH INFORMATION

The following categories describe different ways that the Plan may use and disclose your PHI. For each category of uses and disclosures we will explain what we mean and, where appropriate, provide examples for illustrative purposes. Not every use or disclosure in a category will be listed. However, all of the ways we are permitted or required to use and disclose PHI will fall within one of the categories.

Your Authorization – Except as outlined below or otherwise permitted by law, the Plan will not use or disclose your PHI unless you have signed a form authorizing the Plan to use or disclose specific PHI for an explicit purpose to a specific person or group of persons. Uses and disclosures of your PHI for marketing purposes and/or the sale of your PHI require your authorization. You have the right to revoke any authorization in writing except to the extent that the Plan has taken action in reliance upon the authorization.

Uses and Disclosures for Payment – The Plan may use and disclose your PHI as necessary for benefit payment purposes without obtaining an authorization from you. The persons to whom the Plan may disclose your PHI for payment purposes include your health care providers that are billing for or requesting a prior authorization for their services and treatments of you, other health plans providing benefits to you, and your approved family member or guardian who is responsible for amounts, such as deductibles and co-insurance, not covered by the Plan.

For example, the Plan may use or disclose your PHI, including information about any medical procedures and treatments you have received, are receiving, or will receive, to your doctor, your spouse's or other health plan under which you are covered, and your spouse or other family members, unless you object, in order to process your benefits under the Plan. Examples
of other payment activities include determinations of your eligibility or coverage under the Plan, annual premium calculations based on health status and demographic characteristics of persons covered under the Plan, billing, claims management, reinsurance claims, review of health care services with respect to medical necessity, utilization review activities, and disclosures to consumer reporting agencies.

**Uses and Disclosures for Health Care Operations** – The Plan may use and disclose your PHI as necessary for health care operations without obtaining an authorization from you. Health care operations are those functions of the Plan it needs to operate on a day-to-day basis and those activities that help it to evaluate its performance. Examples of health care operations include underwriting, premium rating or other activities relating to the creation, amendment or termination of the Plan, and obtaining reinsurance coverage. Other functions considered to be health care operations include business planning and development; conducting or arranging for quality assessment and improvement activities, medical review, and legal services and auditing functions; and performing business management and general administrative duties of the Plan, including the provision of customer services to you and your covered dependents.

**Family and Friends Involved in Your Care** – If you are available and do not object, the Plan may disclose your PHI to your family, friends, and others who are involved in your care or payment of a claim. If you are unavailable or incapacitated and the Plan determines that a limited disclosure is in your best interest, the Plan may share limited PHI with such individuals. For example, the Plan may use its professional judgment to disclose PHI to your spouse concerning the processing of a claim. If you do not wish us to share PHI with your spouse or others, you may exercise your right to request a restriction on our disclosures of your PHI (see below), including having correspondence the Plan sends to you mailed to an alternative address. The Plan is also required to abide by certain state laws that are more stringent than the HIPAA Privacy Standards, for example, some states give a minor child the right to consent to his or her own treatment and, under HIPAA, to direct who may know about the care he or she receives. There may be an instance when your minor child would request for you not to be informed of his or her treatment and the Plan would be required to honor that request.

**Business Associates** – Certain aspects and components of the Plan’s services are performed through contracts with outside persons or organizations. Examples of these outside persons and organizations include our third party administrator, reinsurance carrier, agents, attorneys, accountants, banks, and consultants. At times it may be necessary for us to provide certain of your PHI to one or more of these outside persons or organizations. However, if the Plan does provide your PHI to any or all of these outside persons or organizations, they will be required, through contract or by law, to follow the same policies and procedures with your PHI as detailed in this Notice.

**Plan Sponsor** -- The Plan may disclose a subset of your PHI, called summary health information, to the Plan Sponsor in certain situations. Summary health information summarizes claims history, claims expenses, and types of claims experienced by individuals under the Plan, but all information that could effectively identify whose claims history has been summarized has been removed. Summary health information may be given to the Plan Sponsor when requested for the purposes of obtaining premium bids, for providing coverage under the Plan, or for modifying, amending or terminating the Plan. The Plan may also disclose to the Plan Sponsor whether you are enrolled in or have disenrolled from the Plan.

**Other Products and Services** – The Plan may contact you to provide information about other health-related products and services that may be of interest to you without obtaining your authorization. For example, the Plan may use and disclose your PHI for the purpose of communicating to you about health benefit products or services that could enhance or substitute for existing coverage under the Plan, such as long term health benefits or flexible spending accounts. The Plan may also contact you about health-related products and services, like disease management programs that may add value to you, as a covered person under the Plan. However, the Plan must obtain your authorization before the Plan sends you information regarding non-health related products or services, such as information concerning movie passes, life insurance products, or other discounts or services offered to the general public at large.

**Other Uses and Disclosures** – Unless otherwise prohibited by law, the Plan may make certain other uses and disclosures of your PHI without your authorization, including the following:

- The Plan may use or disclose your PHI to the extent that the use or disclosure is required by law.
- The Plan may disclose your PHI to the proper authorities if the Plan suspects child abuse or neglect; the Plan may also disclose your PHI
if we believe you to be a victim of abuse, neglect, or domestic violence.

- The Plan may disclose your PHI if authorized by law to a government oversight agency (e.g., a state insurance department) conducting audits, investigations, or criminal proceedings.
- The Plan may disclose your PHI in response to a court order specifically authorizing the disclosure, or in the course of a judicial or administrative proceeding (e.g., to respond to a subpoena or discovery request), provided written and documented efforts by the requesting party have been made to (1) notify you of the disclosure and the purpose of the litigation, or (2) obtain a qualified protective order prohibiting the use or disclosure of your PHI for any other purpose than the litigation or proceeding for which it was requested.
- The Plan may disclose your PHI to the proper authorities for law enforcement purposes, including the disclosure of certain identifying information requested by police officers for the purpose of identifying or locating a suspect, fugitive, material witness or missing person; the disclosure of your PHI if you are suspected to be a victim of a crime and you are incapacitated; or if you are suspected of committing a crime on the Plan (e.g., fraud).
- The Plan may use or disclose PHI to avert a serious threat to health or safety.
- The Plan may use or disclose your PHI if you are a member of the military, as required by armed forces services, and the Plan may also disclose your PHI for other specialized government functions such as national security or intelligence activities.
- The Plan may disclose your PHI to state or federal workers' compensation agencies for your workers' compensation benefit determination.
- The Plan may, as required by law, release your PHI to the Secretary of the Department of Health and Human Services for enforcement of the HIPAA Privacy Rules.

**Verification Requirements** - Before the Plan discloses your PHI to anyone requesting it, the Plan is required to verify the identity of the requester and the requester's authority to access your PHI. The Plan may rely on reasonable evidence of authority such as a badge, official credentials, written statements on appropriate government letterhead, written or oral statements of legal authority, warrants, subpoenas, or court orders.

### RIGHTS THAT YOU HAVE

To request to inspect, copy, amend, or get an accounting of PHI pertaining to your PHI in the Plan, you may contact the Privacy Officer at **Western Kentucky University, Department of Human Resources, 1906 College Heights Blvd. #11003, Bowling Green, KY 42101, 270-745-5360.**

**Right to Inspect and Copy Your PHI** – You have the right to request a copy of and/or inspect your PHI that the Plan maintains, unless the PHI was compiled in reasonable anticipation of litigation or contains psychotherapy notes. In certain limited circumstances, the Plan may deny your request to copy and/ or inspect your PHI. In most of those limited circumstances, a licensed health care provider must determine that the release of the PHI to you or a person authorized by you, as your “personal representative,” may cause you or someone else identified in the PHI harm. If your request is denied, you may have the right to have the denial reviewed by a designated licensed health care professional that did not participate in the original decision. Requests for access to your PHI must be in writing and signed by you or your personal representative. You may ask for a **Participant PHI Inspection Form** from the Plan through the Privacy Office at the address below. If you request that the Plan copy or mail your PHI to you, the Plan may charge you a fee for the cost of copying your PHI and the postage for mailing your PHI to you. If you ask the Plan to prepare a summary of the PHI, and the Plan agrees to provide that explanation, the Plan may also charge you for the cost associated with the preparation of the summary.

**Right to Request Amendments to Your PHI** – You have the right to request that PHI the Plan maintains about you be amended or corrected. The Plan is not obligated to make requested amendments to PHI that is not created by the Plan, not maintained by the Plan, not available for inspection, or that is accurate and complete. The Plan will give each request careful consideration. To be considered, your amendment request must be in writing, must be signed by you or your personal representative, must state the reasons for the amendment request, and must sent to the Privacy Office at the address below. If the Plan denies your amendment request, the Plan will provide you with its basis for the denial, advise you of your right to prepare a statement of disagreement which it will place with your PHI, and describe how you may file a complaint with the Plan or the Secretary of the US Department of Health and Human Services. The Plan may limit the length of your statement of disagreement and submit its own rebuttal to accompany your statement of disagreement. If the Plan accepts your amendment request, it must make a
reasonable effort to provide the amendment to persons you identify as needing the amendment or persons it believes would rely on your unamended PHI to your detriment.

**Right to Request an Accounting for Disclosures of Your PHI** – You have the right to request an accounting of disclosures of your PHI that the Plan makes. Your request for an accounting of disclosures must state a time period that may not be longer than six years and may not include dates before April 14, 2004. Not all disclosures of your PHI must be included in the accounting of the disclosures. Examples of disclosures that the Plan is required to account for include those pursuant to valid legal process, or for law enforcement purposes. Examples of disclosures that are not subject to an accounting include those made to carry out the Plan’s payment or health care operations, or those made with your authorization. To be considered, your accounting requests must be in writing and signed by you or your personal representative, and sent to the Privacy Office at the address below. The first accounting in any 12-month period is free; however, the Plan may charge you a fee for each subsequent accounting you request within the same 12-month period.

**Right to Place Restrictions on the Use and Disclosure of Your PHI** – You have the right to request restrictions on certain of the Plan’s uses and disclosures of your PHI for payment or health care operations, disclosures made to persons involved in your care, and disclosures for disaster relief purposes. For example, you may request that the Plan not disclose your PHI to your spouse. Your request must describe in detail the restriction you are requesting. The Plan is not required to agree to your request, but will attempt to accommodate reasonable requests when appropriate. The Plan retains the right to terminate an agreed-to restriction if it believes such termination is appropriate. In the event of a termination by the Plan, it will notify you of the termination. You also have the right to terminate, in writing or orally, any agreed-to restriction. Requests for a restriction (or termination of an existing restriction) may be made by contacting the Plan through the Privacy Office at the telephone number or address below.

**Request for Confidential Communications** – You have the right to request that communications regarding your PHI be made by alternative means or at alternative locations. For example, you may request that messages not be left on voice mail or sent to a particular address. The Plan is required to accommodate reasonable requests if you inform the Plan that disclosure of all or part of your information could place you in danger. The Plan may grant other requests for confidential communications in its sole discretion. Requests for confidential communications must be in writing, signed by you or your personal representative, and sent to the Privacy Office at the address below.

**Right to a Copy of the Notice** – You have the right to a paper copy of this Notice upon request by contacting the Privacy Office at the telephone number or address below.

**Right to Notice of Breach** - You have the right to receive notice if your PHI is improperly used or disclosed as a result of a breach of unsecured PHI.

**Complaints** – If you believe your privacy rights have been violated, you can file a complaint with the Plan through the Privacy Office in writing at the address below. You may also file a complaint in writing with the Secretary of the U.S. Department of Health and Human Services in Washington, D.C., within 180 days of a violation of your rights. There will be no retaliation for filing a complaint.

**FOR FURTHER INFORMATION**

Plan Contact Information - Information about the Plan may be obtained at either of the addresses or phone numbers below:

**WKU Employee Benefits**
Western Kentucky University
Department of Human Resources
1906 College Heights Blvd #11003
Bowling Green, KY 42101
270-745-5360

**Plan Administrator, or TPA (Health):**
Blue Cross and Blue Shield
PO Box 37690
Louisville, KY 40233
800-397-8434

*Date: October 2014*