

Important Notice from Christian Brothers Health Solutions 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 the Christian Brothers Employee Benefit Trust (CBEBT) and prescription drug coverage available for people with Medicare. It also explains the options you have under the Medicare prescription drug program and can help you decide whether or not you want to enroll. The end of this notice includes information about where you can get help to make decisions about your prescription drug coverage.

There are two important things you need to know about your current coverage and Medicare's prescription drug coverage.

1. Medicare prescription drug coverage (Medicare Part D) became available in 2006 through a) Medicare prescription drug plans and b) Medicare Advantage plans that offer prescription drug coverage. All Medicare prescription 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. Christian Brothers Health Solutions has determined that the prescription drug coverage offered by the CBEBT is, on average for all plan members, equivalent to or better than the standard Medicare prescription drug coverage. **For this reason, CBEBT coverage is considered Creditable Coverage by Medicare**, which means that you can keep CBEBT coverage and not pay a higher monthly premium if you later decide to enroll in a Medicare prescription drug plan.

Individuals can enroll in a Medicare prescription drug plan when they first become eligible for Medicare and each year from October 15th through December 7th. Beneficiaries leaving their current creditable prescription drug coverage, through no fault of their own, will also be eligible for a two (2) month Special Enrollment Period (SEP) to join a Medicare drug plan.

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.

If you do decide to enroll in a Medicare prescription drug plan and drop your CBEBT prescription drug coverage, be aware that you and your dependents will not be able to re-enroll.

Please contact us for more information about what happens to your coverage if you enroll in a Medicare prescription drug plan.

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 coverage with Christian Brothers Employee Benefit Trust and do not enroll in a Medicare prescription drug plan within 63 continuous days after your current coverage ends, you may pay more (a penalty) to enroll in Medicare prescription drug coverage later.

If you go 63 days or longer without (creditable) prescription drug coverage that is at least as good as Medicare's prescription drug coverage, your monthly premium may go up at least one percent of the Medicare base beneficiary premium per month for every month that you did not have that coverage.

For example, if you go 19 months without creditable coverage, your premium may consistently be at least 19 percent 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 enroll.

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

Contact our office for further information at 1.800.807.0400 from 7:00 a.m. to 7:00 p.m. CST.

NOTE: You will receive this notice annually and at other times in the future, including, for example, to remind you of the next enrollment period for Medicare prescription drug coverage and to announce changes in your coverage through the Christian Brothers Employee Benefit Trust. You also may request a copy of this notice at any time.

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 may get a copy of the handbook in the mail every year from Medicare or an electronic version is also available. You may also be contacted directly by Medicare prescription drug plans.

For more information about Medicare prescription drug coverage:

- Visit www.medicare.gov.
- Call your State Health Insurance Assistance Program (see 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.

For people with limited income and resources, extra help paying for Medicare prescription drug coverage is available. Information about this assistance is available from the Social Security Administration (SSA) online at www.socialsecurity.gov, or by phone at 1.800.772.1213 (TTY 1.800.325.0778).

Remember: Keep this Creditable Coverage notice. If you enroll in one of the drug plans approved by Medicare that offer prescription drug coverage, you may be required to provide a copy of this notice when you join to show that you are not required to pay a higher premium (a penalty).