



CT TEACHERS' RETIREMENT BOARD
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"An Affirmative Action/Equal Opportunity Employer"
www.ct.gov/trb

NOTICE OF CREDITABLE COVERAGE January, 2010

Please read this notice carefully and keep it with your permanent records.

Effective January 1, 2006, Medicare Part D prescription coverage became available to everyone participating in Medicare A (Hospitalization coverage) and Medicare B (Medical coverage). All Medicare prescription drug plans provide a minimum standard level of coverage. Some plans offer more coverage for a higher monthly premium.

Is my current coverage through the Teachers' Retirement Board (TRB) prescription plan equivalent to or better than the Medicare Part D prescription coverage?

Yes. The TRB Actuary has determined that the prescription drug coverage offered to you by the TRB is "on average" expected to pay out at least as much as the standard Medicare prescription drug coverage. **Because your existing TRB coverage is "on average" as good as standard Medicare Part D prescription coverage, you can stay with your TRB coverage. If you decide later you want to enroll in a Medicare Part D prescription plan and drop the TRB plan, you will NOT incur a penalty to your Medicare Part D premium PROVIDED there is no lapse in prescription coverage.**

What are the consequences if I choose to enroll in the Medicare Part D prescription coverage?

You will remain in your TRB health coverage but will be dropped from your TRB prescription coverage. There will be no reduction or refund to your TRB premium. You would only be allowed back into the TRB prescription coverage during the next open enrollment period provided you submit evidence that you have cancelled your Medicare Part D prescription coverage.

How will I decide whether to remain in the TRB prescription plan or choose Medicare Part D prescription coverage?

Medicare Part D prescription coverage is different from the health coverage available under Medicare Parts A and B. To obtain prescription coverage under Medicare Part D, you will have to choose a plan from a private company. While there is standard coverage required by Medicare Part D prescription coverage, each private plan is likely to have unique attributes, including which drugs are covered, the level of co pays, and which pharmacies you can use. Accordingly, you should compare your current coverage and cost with the coverage and cost of the plans offering Medicare Part D prescription drug coverage in your area.

ATTN LOW INCOME HEALTH PLAN MEMBERS: If you are a single individual with income of \$16,245 or less per year or a married couple with joint income of \$21,855 or less per year, extra help is available for paying for a Medicare prescription drug plan. For more information about this extra help, please visit SSA online at www.ssa.gov/pubs/10506.htm or call them at 1-800-772-1213 (TTY 1-800-325-0778). If you qualify for this extra help and would like to cancel your TRB prescription plan, contact us for the necessary paperwork at: TRB, 765 Asylum Avenue, Hartford, CT 06106 or 1-800-504-1102 x 8411 or 860-241-8411.

Here are the basic components of the TRB and standard Medicare D prescription plans:

TRB Plan

1. Deductible: \$250 per year February 1, 2010 to December 31, 2010, due to change in PBM.
2. **Mail Order:** Co-Insurance: Individual pays 5% of the cost for generic drugs, 20% of the cost for preferred brand name drugs, and 30% of the cost for non-preferred brand name.
Local Pharmacy: Co-Insurance (non-maintenance drugs): Individual pays 10% of the cost for generic drugs, 25% of the cost for preferred brand name drugs, and 35% of the cost for non-preferred brand name.
3. Coverage Gap: None.
4. Catastrophic Coverage: After the individual pays \$1,000 (this includes the deductible of \$250) out of pocket, individual pays nothing for the remainder of the year.

Medicare Part D (standard required attributes)

1. Deductible: \$295 per year.
2. Co-Insurance: Individual pays 25% (\$601.25) of the costs for total drug purchases for the next \$2,405 per year.
3. Coverage Gap: Individual pays 100% of the cost of total drug purchases for the next \$3,453.75 within the calendar year.
4. Catastrophic Coverage: After individual pays \$4,350 out of pocket the individual pays 5% of the additional cost for the remainder of the year.

For individuals who use generic drugs, the TRB coverage will generally be less costly to the individual. For non-preferred name brand drugs, the relative costs will depend on the volume used: low volume users of non-preferred drugs may have a lower cost under Medicare Part D, whereas those with high volume usage will often pay more under Medicare Part D. **If you enroll in Medicare Part D prescription coverage, you will lose access to your TRB prescription plan but will still be required to pay the full premium for the health and prescription plans.**

Is there a penalty if my TRB coverage lapses and I enroll in the new Medicare Part D Plan late?

Yes. If you drop or lose your coverage with TRB and do not enroll within 63 days in a Medicare prescription drug plan, you will be subject to a permanent lifetime penalty of at least 1% per month for every month you did not have prescription coverage. For example, if you are without prescription coverage for nineteen months, your premium will always be at least 19% higher than normal cost for the Medicare prescription plan.

How can I get more information about my options under Medicare prescription drug coverage?

More detailed information about Medicare plans that offer prescription drug coverage is available now in the "Medicare & You" handbook

Visit <http://www.medicare.gov/> for personalized help,

- Call your State Health Insurance Assistance Program (see your copy of the Medicare & You handbook for their telephone number)
- Call 1-800-MEDICARE (1-800-633-4227). TTY users should call 1-877-486-2048.