

# **Important Notice from Iowa State University to Medicare Eligible Participants Regarding Your ISU Prescription Drug Coverage and Medicare**

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**Please read this notice carefully and keep it where you can find it.** This notice has information about your current prescription drug coverage with Iowa State University and about your options under Medicare's Part D prescription drug coverage. This information may help you decide whether or not you want to join an individual 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 individual prescription drug coverage:**

1. Medicare prescription drug coverage became available in 2006 to everyone with Medicare Part B. 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. Iowa State University and its benefit advisors have determined that the prescription drug coverage included through Iowa State University's retiree medical plan is, on average for all plan participants, expected to pay out as much as the standard Medicare prescription drug coverage will pay and is 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 an individual Medicare drug plan.

## **When May You Join An Individual Medicare Drug Plan?**

You may join a Medicare prescription drug plan when you first become eligible for Medicare and each year from October 15<sup>th</sup> through December 7<sup>th</sup>. However if you lose creditable prescription drug coverage, through no fault of your own, you will be eligible for a two (2) month Special Enrollment Period (SEP) because you lost creditable coverage to join a Part D plan. In addition, if you lose or decide to leave ISU sponsored coverage, you will be eligible to join a Part D plan at that time using an Employer Group Special Enrollment Period.

## **What Happens To Your Current Coverage If You Decide to Join an Individual Medicare Drug Plan?**

If you decide to join an individual Medicare drug plan, your current ISU Plan coverage would need to terminate. Medicare-eligible members may keep the ISU Plan for retirees; which has a custom group Medicare Part D plan through Humana.

You must remain in the Iowa State University medical plan in order to receive coverage for other medical expenses including physicians' visits, hospitalization, laboratory exams and other important health care benefits. If you choose to enroll in a different, individual Medicare Part D plan, you must also shop for a new medical supplement to Medicare. *Once you drop your current ISU Plan you may not be able to get this coverage back.*

## **When Will You Pay a Higher Premium (Penalty) To Join A Medicare Drug Plan?**

You should know that if you drop or lose your coverage with Iowa State University and don't enroll in Medicare prescription drug coverage within 63 continuous days after your current ISU coverage ends; you may pay a higher premium (penalty) to enroll in a Medicare drug plan later.

If you go 63 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 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 19 months without coverage, your premium may consistently be at least 19% higher than the base beneficiary premium. You may have to pay this higher premium (penalty) as long as you have Medicare coverage. In addition, you may have to wait until the next November to enroll.

## **For More Information about This Notice or Your Current Prescription Drug Coverage-**

Please call the contact listed below for further information. **Note:** You may receive this notice each year, before the next period you can join a Medicare drug plan, and also if your current coverage changes. 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 available in the **Medicare & You** handbook. You'll get a copy of the handbook in the mail from Medicare every year. You may also be contacted directly by Medicare-approved prescription drug plans in your area. You can also get this handbook and more information about Medicare prescription drug plans from the following:

- Visit [www.medicare.gov](http://www.medicare.gov)
- Call your State Health Insurance Assistance Program (see 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 a Medicare individual prescription drug plan 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).

## **Right to Change Benefits – Required Statement**

Iowa State University reserves the rights to amend, modify, revoke or terminate any of the benefit plans, in whole or in part, at any time. The authority to make any such changes to the plans rests with the University Administration and the Iowa Board of Regents. Should such changes be made, you will be notified prior to those changes.

**Remember: Keep this Creditable Coverage notice. If you decide to join one of the individual 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: January 1, 2025  
Name of Entity/Sender: Iowa State University Human Resource Services  
Contact Office: ISU Benefits Office  
Address: 3810 Beardshear Hall, 515 Morrill RD, Ames, IA 50011-2033  
Phone Number: 515-294-4800 or 1-877-477-7485