

## **Important Notice from University Health System About Your Prescription Drug Coverage and Medicare**

**To: All Participants in the University Health System Cancer, Dread Disease and ICU Policies Who Have Medicare or Who Will Become Eligible for Medicare in the Next 12 Months.**

**This notice only applies to persons who are participating in the UHS Cancer, Dread Disease and ICU policies. If you also have health plan coverage under the University Family Care Plan, or the University Family Care Plan Plus, you will receive a separate notice about Medicare and your prescription drug coverage under those plans.**

Please read this notice carefully, and keep it where you can find it. This notice has information about your current prescription drug coverage under the UHS Cancer, Dread Disease and ICU Policies and prescription drug coverage available for people with Medicare. It also explains the options you have under Medicare Prescription drug coverage, and can help you decide whether or not you want to enroll. At the end of this notice is information about where you can get help to make decisions about your prescription drug coverage.

- 1. Medicare prescription drug coverage became available in 2006 to everyone with Medicare through Medicare prescription drug plans and Medicare Advantage Plans that offer prescription drug coverage. This coverage is sometimes referred to as Medicare Part D prescription drug coverage. In general, Medicare Part D provides coverage for prescription drugs not covered under Medicare Parts A and B. All Medicare prescription drug plans provide at least a standard level of coverage set by Medicare. Some Medicare plans may also offer more coverage for a higher premium.**
- 2. University Health System has determined that the prescription drug coverage offered as a feature of the UHS CANCER, DREAD DISEASE, ICU POLICIES are, on average for all plan participants, NOT expected to pay out as much as the standard Medicare prescription drug coverage will pay. It is not considered to be “creditable coverage” for purposes of the Medicare law. This is important, because for most people enrolled in the UHS Cancer, Dread Disease and ICU Policies, enrolling in Medicare prescription drug coverage means you will receive more assistance with drug costs than if you had prescription drug coverage exclusively through the UHS Cancer, Dread Disease and ICU policies.**
- 3. You have decisions to make about Medicare prescription drug coverage that may affect how much you pay for that coverage, depending on if and when you enroll. Read this notice carefully - it explains your options.**

**If you do not have coverage under the University Family Care Plan, the University Family Care Plan Plus, or any other plan with creditable coverage, consider enrolling in a Medicare prescription drug plan.**

Because the prescription drug coverage you have with the UHS Cancer, Dread Disease and ICU policies is on average for all plan participants, NOT expected to pay out as much as the standard Medicare prescription drug coverage will pay, consider enrolling in a Medicare prescription drug plan if you do not have coverage under any of the other health plans sponsored by the University Health System (the University Family Care Plan, or the University Family Care Plan Plus). Individuals can enroll in a Medicare prescription drug plan when they first become eligible for Medicare and each year from October 15<sup>th</sup> through December 7<sup>th</sup>. Beneficiaries leaving employer/union coverage may be eligible for a Special Enrollment Period to sign up for a Medicare prescription drug plan.

If you do not enroll in Medicare prescription drug coverage when you are first eligible to do so, it may mean that you will have to wait to enroll in a Medicare prescription drug plan and that you may pay a higher premium (a penalty) when you do so. You will pay that higher premium as long as you have Medicare prescription drug coverage.

If you go 63 continuous days or longer after your initial enrollment period without prescription drug coverage that is at least as good as Medicare's prescription drug coverage, your premium for Medicare prescription drug coverage will go up at least 1% per month for every month you do not have Medicare prescription drug coverage. You will have to pay this higher premium as long as you have Medicare prescription drug coverage. For example, if you go nineteen months without coverage, your premium will always be at least 19% higher than what many other people pay.

Here are some of your options concerning Medicare prescription drug coverage.

1. You may continue your coverage under the UHS Cancer, Dread Disease and ICU policies and not enroll in a Medicare prescription drug plan. If the coverage under the UHS Cancer, Dread Disease and ICU policies are the only health plan coverage which you have (you do not have creditable coverage from any other source), you will pay more for coverage under a Medicare prescription drug plan if you do not enroll in a Medicare prescription drug plan when you are first eligible to do so.
2. You may continue your coverage under the UHS Cancer, Dread Disease and ICU policies and enroll in a Medicare prescription drug plan. Your prescription drug coverage under the UHS Cancer, Dread Disease and ICU policies will be coordinated with your coverage under your prescription drug coverage, and in most instances, your prescription drug coverage under the UHS Cancer, Dread Disease and ICU policies will pay first before your coverage under a Medicare prescription drug plan.
3. You may discontinue your coverage under the UHS Cancer, Dread Disease and ICU policies and enroll in a Medicare prescription drug plan. However, your current coverage under the UHS Cancer, Dread Disease and ICU policies pays for other health expenses in addition to prescription drug expenses. You may be allowed to reenroll at a later date in the coverage provided by the UHS Cancer, Dread Disease and ICU

policies (such as during an open enrollment period) under the terms and conditions of the University Health System and the carrier.

**You need to make a decision.**

When you make your decision, you should also 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.

In making your decisions concerning issues in this Notice, you should be aware that the Standard Medicare Part D prescription drug plan for 2023 has the following features:

- Annual Deductible of \$505.
- After you have met the \$505 deductible, Medicare pays 75% of the next \$4,155 and you will be responsible for paying 25% coinsurance.
- After you have incurred \$4,660 in prescription drug costs, Medicare will pay approximately 75% of the cost of *generic medications* and you will pay approximately 25% of the cost of *generic medications*, and Medicare will pay 5% of the cost of *brand name medications* and you will pay 25% of the cost of *brand name medications* until your prescription costs for the year reach \$10,516.25. All *brand name medications* will be offered at a 70% discount, but the pre-discount price will be taken into account for the purpose of determining when the \$10,516.25 threshold is met.

After you have reached the \$10,516.25 threshold, Medicare pays approximately 95% of your costs for drugs covered by the plan and you pay 5%.

You should consult the Medicare Part D prescription drug plans for the amount of premiums they charge. You should also know that providers of Medicare Part D prescription drug plans may provide better benefits than the benefits described above for a higher premium.

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

Contact our office for further information at (210) 358-2275. NOTE: You may receive this notice at other times in the future such as before the next period you can enroll in Medicare prescription drug coverage, and if coverage under the UHS Cancer, Dread Disease and ICU Policies 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 in the “Medicare & You” handbook (available at: <https://www.medicare.gov/pubs/pdf/10050-Medicare-and-You.pdf>). You may also be contacted directly by Medicare-approved prescription drug plans. For more information about Medicare’s prescription drug plans:

- Visit [www.medicare.gov](http://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 a Medicare prescription drug plan is available. Information about this extra help is available from the Social Security Administration (SSA). For more information about this extra help, visit SSA online at [www.socialsecurity.gov](http://www.socialsecurity.gov), or call them at 1-800-772-1213 (TTY 1-800-325-0778).

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