

# MESA

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## PUBLIC SCHOOLS

### IMPORTANT NOTICE FROM MESA PUBLIC SCHOOLS FOR PEOPLE WITH MEDICARE

Employee Benefits &  
Risk Management  
2nd Floor

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Mesa, Arizona  
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(480) 472-0363  
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**This notice is for people with Medicare.** It has information about your current prescription drug coverage with Mesa Public Schools and the new Medicare prescription drug coverage available January 1, 2006 to everyone with Medicare. It also tells you where to find more information to help you make decisions about your prescription drug coverage. **Please read this notice carefully and keep it where you can find it.**

This announcement is required by law whether the group health plan's coverage is primary or secondary to Medicare. Because it is not possible for our Plan to always know when a Plan participant has or will soon become eligible for Medicare we have decided to send the attached Notice to all of our plan participants.

- **If you are not now eligible for Medicare and will not be eligible during 2006 you may disregard this Notice.**
- **If, however, you and/or your family members are now eligible for Medicare or may become eligible for Medicare during 2006, you should read the attached Notice very carefully.**

**If you have Medicare or will become eligible for Medicare in the next 12 months, a new Federal law gives you more choices about your prescription drug coverage. Please read this Notice for important information.**

Mesa Public Schools has determined that the prescription drug coverage offered by the Mesa Public Schools Employee Benefit Trust (EBT) under the "Open Access" EPO plan and "Options PPO" plan is "creditable." "Creditable" means that the value of this Plan's prescription drug benefit is, on average for all plan participants, expected to pay out as much as the standard Medicare prescription drug coverage will pay.

#### Highlights of the

#### Prescription Benefit Plan

#### EPO Plan

#### PPO Plan

#### Deductible for Outpatient Prescription Drugs?

\$100 per person per year

\$100 per person per year

#### Retail In-Network (up to a 30 day supply)

- If Rx is less than \$15, you pay cost of Rx
- If Rx costs \$15 to \$50, you pay 40% of Rx cost to a maximum of \$100

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#### Retail Out-of-Network (up to a 30 days supply maximum)

Not available

- Generic 70%
- Brand 70% of allowed generic cost, plus you pay the difference between generic and brand name drug

#### Mail Order

- Generic \$30
- Preferred Brand \$50
- Brand \$70

- Generic \$30
- Preferred Brand \$50
- Brand \$70

#### Plan is or is not creditable?

Creditable

Creditable

Because your existing prescription drug coverage noted above is, on average, at least as good as the standard Medicare prescription drug coverage, you can keep your prescription drug coverage under Mesa Public Schools' EPO or PPO plan and you do not have to enroll in the Medicare prescription drug program for 2006. You may enroll in Medicare drug coverage at a later time, and because you maintain creditable coverage, you will not have a late enrollment fee.

## WHAT DO PEOPLE WITH MEDICARE NEED TO DO?

**First:** Read this notice carefully - it explains the options you have under Medicare prescription drug coverage.

**Second:** Compare your current coverage with Mesa Public Schools' EPO or PPO Plan to the coverage available to you in the Medicare prescription drug plans available in your area.

**Third:** Decide whether or not you want to enroll in a Medicare prescription drug plan.

### Keep in mind:

- If you want to enroll in a Medicare prescription drug plan for 2006, you must do so between November 15, 2005 and May 15, 2006. If you do enroll in a Medicare prescription drug plan, you may keep your current coverage with Mesa Public Schools.
- If you do not enroll in a Medicare prescription drug plan, your coverage with this plan continues as long as you remain eligible.

**For more information about this notice or your current prescription drug coverage contact the Employee Benefits department at (480) 472-0363.**

## INFORMATION ABOUT THE MEDICARE PRESCRIPTION DRUG PROGRAM

You may have heard about Medicare's new prescription drug coverage and wondered how it would affect you and your current prescription drug coverage under Mesa Public Schools.

Starting January 1, 2006, prescription drug coverage will be available to everyone with Medicare. This coverage will be available through private Medicare prescription drug plans, called PDPs. All Medicare prescription drug plans will provide at least a standard level of coverage set by Medicare. Some prescription drug plans might also offer more coverage for a higher monthly premium.

In order to decide whether or not to enroll in Medicare Prescription drug coverage you will need to compare your current coverage with Mesa Public Schools to the Medicare prescription drug plans available where you live. **You may want to compare the information about your current prescription drug coverage and the drug coverage Medicare offers, such as: the monthly premium, the drugs covered and not covered, the deductible, cost-sharing like copayments and coinsurance as well as mail order service and retail pharmacy locations.**

### **REMEMBER TO KEEP THIS NOTICE**

If you enroll, after May 15, 2006, in one of the new Medicare-approved prescription drug plans, you may need to give a copy of this notice when you join.

People with Medicare can enroll in a Medicare prescription drug plan during Medicare's enrollment period (from November 15, 2005 through May 15, 2006). However, because you have existing prescription drug coverage that, on average, is as good as Medicare coverage, you can choose to join a Medicare prescription drug plan at a later time. If you do not elect to enroll in Medicare's prescription drug plan between Nov. 15, 2005 and May 15, 2006, you will have the opportunity to enroll in a Medicare prescription drug plan, each year, between November 15th and December 31st.

**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 this Plan's prescription drug coverage changes). You also may request a copy of this Notice at any time.



## WHAT ARE MY CHOICES?

You can choose any one of the following options:

### OPTION 1

**What you can do:** You can keep your current medical and prescription drug coverage with Mesa Public Schools' EPO or PPO Plan, and you do not have to enroll in a Medicare prescription drug plan.

**What this option means to you:** You will continue to be able to use your prescription drug benefits through Mesa Public Schools EPO or PPO Plan.

- You may, in the future, enroll in a Medicare prescription drug plan during Medicare's annual enrollment period (during November 15-December 31 of each year).
- As long as you are enrolled in creditable drug coverage you will not have to pay a higher premium (a late enrollment fee) to Medicare when you do choose, at a later date, to sign up for a Medicare prescription drug plan.

### OPTION 2

**What you can do:** You can keep your current medical and prescription drug coverage with Mesa Public Schools' EPO or PPO Plan and also enroll in a Medicare prescription drug plan. If you enroll in a Medicare prescription drug plan you will need to pay the Medicare Part D premium out of your own pocket.

**What this option means to you:** Having dual prescription drug coverage under this Plan and Medicare means that this Plan will coordinate its drug payments with Medicare, as follows:

- for Medicare eligible Retirees and their Medicare eligible Dependents, Medicare Part D coverage pays primary and this group health plan pays secondary.
- for Medicare eligible Active Employees and their Medicare eligible Dependents, this group health plan pays primary and Medicare Part D coverage pays secondary.

Note that you may not drop just the prescription drug coverage under the Mesa Public Schools' EPO or PPO Plan. That is because prescription drug coverage is part of the entire medical plan.

Note that each Medicare prescription drug plan (PDP) may differ. Compare coverage, such as:

- PDPs may have different premium amounts
- PDPs cover different brand name drugs at different costs to you;
- PDPs may have different prescription drug deductibles and different drug copayments;
- PDPs may have different networks for retail pharmacies and mail order services.

## WHAT HAPPENS IF YOU DO NOT ENROLL IN A MEDICARE DRUG PLAN?

You should know that **if you drop or lose your coverage with Mesa Public Schools and don't enroll in Medicare prescription drug coverage after your current coverage ends**, you may pay more to enroll in Medicare prescription drug coverage later.

If after May 15, 2006, you have a gap of 63 days or longer without creditable prescription drug coverage (creditable meaning that drug coverage is at least as good as Medicare's prescription drug coverage), and you decide to join Medicare's drug coverage, your monthly premium for that Medicare drug coverage will go up at least 1% per month for every month after May 15, 2006 that you did not have either Medicare drug coverage or coverage under a creditable drug plan. This is referred to as a late enrollment fee.

For example, if 19 months pass where you do not have creditable prescription drug coverage, when you decide to join Medicare's drug coverage your monthly premium will always be at least 19% higher than what most other people pay. In addition, you may have to wait until the next November to enroll.

## FOR MORE INFORMATION ABOUT YOUR OPTIONS UNDER MEDICARE'S PRESCRIPTION DRUG COVERAGE

More detailed information about Medicare prescription drug coverage plans will be available in October 2005, in the "Medicare & You 2006" handbook. A person enrolled in Medicare (a "beneficiary") will get a copy of this handbook in the mail from Medicare. A Medicare beneficiary may also be contacted directly by Medicare prescription drug plans. You can also get more information about Medicare prescription drug plans from these places:

- Visit [www.medicare.gov](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.

**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).

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

Mesa Public Schools Benefit Plan Administrator  
Address: 63 East Main Street, Mesa AZ 85201  
Phone Number: (480) 472-0363

As in all cases, Mesa Public Schools reserves the right to modify benefits at any time, in accordance with applicable law. This document (dated November 9, 2005) is intended to serve as your Medicare Notice of Creditable Coverage, as required by law.

