

**PURPOSE OF THIS DOCUMENT**

This packet includes several notices which Federal law requires to be distributed to participants in the Southern Methodist University Health & Wellness



# MEDICARE PART D NOTICE

Please read this notice carefully and keep it where you can find it. This notice has information about your current prescription drug coverage with SMU coverage. This information can help you decide whether or not you want to join a 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.

Medicare prescription drug coverage became available in 2006 to everyone with Medicare. 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.

drug coverage:

## **For the \$2,000 Deductible PPO Plan**

SMU has determined that the prescription drug coverage offered by SMU participants, expected to pay out as much as standard Medicare prescription drug coverage pays and is therefore 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 a Medicare drug plan.

## **When Can You Join A Medicare Drug Plan?**

You can join a Medicare drug plan when you first become eligible for Medicare and each year from October 15th through December 7th. However, if you lose your current creditable prescription drug coverage, through no fault of your own, you will also be eligible for a two-month Special Enrollment Period to join a Medicare drug plan.

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

If you decide to join a Medicare drug plan, your current SMU coverage will be affected. If you enroll for Medicare Part D coverage, you must drop your SMU medical and prescription drug coverage. If you do decide to join a Medicare drug plan and drop your current SMU coverage, be aware that you and your dependents will not be able to get this coverage back.

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

If you drop or lose your current coverage with SMU days after your current coverage ends, you may pay a higher premium (a penalty) to join a Medicare drug plan later.

If you go 63 continuous days or longer without creditable prescription drug coverage, your monthly premium may go up by at least 1% 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% 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 join.



- Call your State Health Insurance Assistance Program (see the inside back cover of 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.

**INTRODUCTION**

You are receiving this notice because you have recently become covered under a group health plan (the Plan). This notice contains important information about your right to

becoming entitled to Medicare benefits (under Part A, Part B, or both), the employer must notify the Plan Administrator of the qualifying event.

**You Must Give Notice of Some Qualifying Events**

**For the other qualifying events (divorce or legal separation of the employee and spouse or a dependent child's losing eligibility for coverage as a dependent child), you must notify the Plan Administrator within 60 days after the qualifying event occurs.**

**You must provide this notice to:**

**Name of Entity: Southern Methodist University**

**Contact/Office: Department of Human Resources**

**Address: P.O. Box 750232, Dallas, Texas 75275-0232**

**Phone Number: 214-768-3311**

**HOW IS COBRA COVERGE PROVIDED?**

Once the Plan Administrator receives notice that a qualifying event has occurred, COBRA continuation coverage will be offered to each of the qualified beneficiaries. Each qualified beneficiary will have an independent right to elect COBRA continuation coverage. Covered employees may elect COBRA continuation coverage on behalf of their spouses, and parents may elect COBRA continuation coverage on behalf of their children.

COBRA continuation coverage is a temporary continuation of coverage. When the qualifying event is the death of the employee, the employee's becoming entitled to Medicare benefits (under Part A, Part B, or both), your divorce or legal separation, or a dependent child's losing eligibility as a dependent child, COBRA continuation coverage lasts for up to a total of 36 months. When the qualifying event is the end of employment or reduction of the employee's hours of employment, and the employee became entitled to Medicare benefits less than 18 months before the qualifying event, COBRA continuation coverage for qualified beneficiaries other than the employee lasts until 36 months after the date of Medicare entitlement.

**IF YOU HAVE QUESTIONS**

Questions concerning your Plan or your COBRA continuation coverage rights should be addressed to the contact or contacts identified below. For more information about your rights under ERISA, including COBRA, the Health Insurance Portability and Accountability Act (HIPAA), and other laws affecting group health plans, contact the nearest Regional or District Office of the U.S. Department of Labor Benefits Security Administration (EBSA) in your area or visit the EBSA website at [www.dol.gov/ebsa](http://www.dol.gov/ebsa).



A federal law called the Health Insurance Portability and Accountability Act of 1996 (HIPAA) requires that we notify you about your right to enroll in the Southern Methodist University Health & Welfare Plan

Generally, you must enroll in the Plan when you become eligible or at open enrollments. However, under HIPAA, you may also enroll in the Plan if any of the following circumstances occurs:

**Loss of Other Coverage (Excluding Medicaid or a State Children's Health Insurance Program).** If you decline enrollment for yourself or for an eligible dependent (including your spouse) while other health insurance or group health plan coverage is in effect, you may be able to enroll yourself and your dependents in this plan if you or your dependents lose eligibility for that other coverage (or if the employer stops enrollment within

the other coverage).

**Loss of Coverage For Medicaid or a State Children's Health Insurance Program.** If you decline

**THIS NOTICE DESCRIBES HOW MEDICAL INFORMATION ABOUT YOU MAY BE USED AND DISCLOSED AND HOW YOU CAN ACCESS THIS INFORMATION. PLEASE REVIEW IT CAREFULLY.**

**Southern Methodist University's Pledge to You**

This notice is intended to inform you of the privacy practices followed by the ***Southern Methodist University ("SMU") and its Health and Wellness Plan***



- **Uses or Disclosures to Avert Serious Threat to Health or Safety.** The Plan may use or disclose your protected health information to appropriate persons or authorities if there is reason to believe it is needed to prevent or lessen a serious and imminent threat to the health or safety of a person or the public.
- **Uses or Disclosures Related to Specialized Government Functions.** The Plan may use or disclose protected health information to the federal government for military purposes and activities, national security and intelligence, or so it can provide protective services to the U.S. President or other official persons.

Your request for an accounting must be submitted in writing to the person listed below. You may request an accounting of disclosures made within the last six years. You may request one accounting free of charge within a 12-month period.

**Right to Request Restrictions.** You have the right to request that we not use or disclose information for treatment, payment, or other administrative purposes except when specifically authorized by you, when required by law, or in emergency circumstances. You also have the right to request that we limit the protected health information that we disclose to someone involved in your care or the payment for your care, such as a family member or friend. Your request for restrictions must be submitted in writing to the person listed below. We will consider your request, but in most cases are not legally obligated to agree to those restrictions.

**Right to Request Confidential Communications.** You have the right to receive confidential communications containing your health information. Your request for confidential communications must be submitted in writing to the person listed below. We are required to accommodate reasonable requests. For example, you may ask that we contact you at your place of employment or send communications regarding treatment to an alternate address.

**Right to be Notified of a Breach.**

