

**Important Notice From Chapman University About
Your Prescription Drug Coverage and Medicare**

Please read this notice carefully and keep it where you can find it. This notice has information about your current prescription drug coverage with Chapman University and prescription drug coverage available for people with Medicare. It also explains the options you have under Medicare Part D 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 Part D Prescription Drug coverage became available in 2006 to everyone with Medicare. You can get this coverage if you join a Medicare Part D Prescription Drug Plan. All Medicare Part D prescription 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. Chapman University has determined that the prescription drug coverage offered by the Chapman University Group Health Plan is, on average for all plan participants, expected to pay out as much as the standard Medicare Part D Prescription Drug coverage will pay and is considered Creditable Coverage.**

Because your existing coverage is, on average, at least as good as standard Medicare Part D Prescription Drug coverage, you can keep this coverage and not pay a higher premium (a penalty) if you later decide to join a Medicare Part D drug plan.

Individuals (employees and/or their dependents) may enroll in a Medicare Part D Prescription Drug plan when they first become eligible for Medicare, and each year from **October 15th through December 7th**, the annual Medicare Open Enrollment Period, with coverage effective on January 1st. Individuals leaving a group health plan during other times of the year may be eligible for a Special Enrollment Period to sign up for a Medicare Part D Prescription drug plan.

You should compare your current coverage, including which drugs are covered, with the coverage and cost of the plans offering Medicare Part D prescription drug coverage in your area.

If you do decide to enroll in a Medicare Part D Prescription Drug plan and drop your Chapman University Group Health Plan prescription drug coverage, be aware that you may not be able to get this coverage back. See below for more information about what happens to your coverage if you enroll in a Medicare Part D Prescription drug plan.

You should also know that if you drop or lose your coverage with the Chapman University Group Health Plan and do not enroll in Medicare Part D Prescription drug coverage within 63 days after your current coverage ends, you may pay a higher premium (a penalty) to enroll in Medicare Part D Prescription drug coverage later.

If you go 63 days or longer without prescription drug coverage that is at least as good as Medicare's Part D Prescription drug coverage, your monthly premium may go up at least 1% per month for every month that you did not have that coverage.

For example, if you go nineteen months without coverage, your premium may always be at least 19% higher than the regular premium. You will have to pay this higher premium (a penalty) as long as you have Medicare Part D Prescription drug coverage. In addition, you may have to wait until the following Medicare Open Enrollment Period to enroll.

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

Contact your Human Resources Department for further information. NOTE: You may receive this notice at other times in the future such as before the next period you can enroll in Medicare Part D Prescription drug coverage, and if this coverage changes. You also may request a copy.

For more information about your options under Medicare Part D 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 prescription drug plans. You can also get more information about Medicare prescription drug plans from these places:

- Visit 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 Part D 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, or call them at 1-800-772-1213 (TTY 1-800-325-0778).

Remember: Keep this Creditable Coverage notice. If you enroll in one of the plans approved by Medicare that offer prescription drug coverage, you may be required to provide a copy of this notice when you join to show that you have maintained Creditable Coverage, and are not required to pay a higher premium amount (a penalty).

Date:	October 15, 2011
Name of Entity/Sender	Chapman University
Contact--Position/Office:	Benefits Manager/Human Resources
Address:	One University Drive, Orange, CA 92866
Phone Number:	714-997-6686

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