Important Notice from Villanova University About
Your Prescription Drug Coverage and Medicare

We are required by the Centers for Medicare and Medicaid Services (CMS) to provide
this notice to all Medicare Part D eligible employees and dependents who are covered
under the University’s Medical Plans. If you or your dependents are not eligible for
Medicare, this notice does not pertain to you.

Please read this notice carefully and keep it where you can find it. This notice has
information about your current prescription drug coverage with Villanova University
and about your options under Medicare’s prescription drug 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.

There are two important things you need to know about your current coverage and
Medicare’s prescription drug coverage:

1. 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.

2. Villanova University has determined that the prescription drug coverage offered by
the University’s plans is, on average for all plan 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 (2) month Special Enrollment Period (SEP) to join
a Medicare drug plan.

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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 Villanova University coverage will be affected. Your current coverage pays for other health expenses in addition to prescription drug. If you enroll in a Medicare prescription drug plan, you and your eligible dependents will no longer be eligible to receive all of your current health and prescription drug benefits.

If you do decide to join a Medicare drug plan and drop your current Villanova University coverage, be aware that you and your dependents 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 also know that if you drop or lose your current coverage with Villanova University and don’t join a Medicare drug plan within 63 continuous 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 nineteen 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.

For More Information About This Notice Or Your Current Prescription Drug Coverage...

Contact the person listed below for further information or call Human Resources at 610-519-7900. NOTE: You’ll get this notice each year. You will also get it before the next period you can join a Medicare drug plan, and if this coverage through Villanova University 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. You’ll get a copy of the handbook in the mail every year from Medicare. You may also be contacted directly by Medicare drug plans.

For more information about Medicare prescription drug coverage:

- Visit [www.medicare.gov](http://www.medicare.gov)
- 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.

If you have limited income and resources, extra help paying for Medicare prescription drug coverage is available. For information about this extra help, visit Social Security on the web 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 decide to join one of the 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: April 14, 2017
Name of Entity/Sender: Villanova University
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