



This letter is intended for Medicare Eligible Plan Participants (or those who may become Medicare Eligible in the near future) enrolled in the State Employees Group Insurance Program, Local Government Health Program, Teachers' Retirement Insurance Program and the College Insurance Program. Our Group Insurance records indicate that you or your dependent are Medicare eligible or will be turning age 65 in the near future. As you may know, a new federal prescription drug benefit will be added to the Medicare Program starting January 1, 2006 called Medicare Part D. You can expect to receive information from various sources including the Federal CMS (Centers for Medicare and Medicaid Services), plan administrators, the media, and vendors in your area who might be offering Medicare Part D benefits.

In an effort to keep you informed, the Group Insurance Division wanted to give you some early information concerning your coverage as a Medicare eligible beneficiary and how it affects your prescription drug benefit through the Group Insurance Program. **It is important to note that when the new Medicare Part D benefit becomes available, your prescription benefit will continue to be administered by the pharmacy vendor of the Medical Plan you selected through the Group Insurance Program.**

You will also be receiving information about a "Notice of Creditable Coverage" which is a document intended to advise Medicare beneficiaries whether prescription drug coverage through the Group Insurance Program is creditable, meaning that coverage is the same or better than the Medicare Part D benefit. This Notice prevents you from being penalized if you enroll in Medicare Part D at a later date. The Group Insurance Program will provide you with a "Notice of Creditable Coverage" every fall prior to the annual Medicare Part D enrollment period.

The following questions and answers contain important information about the new Medicare Part D coverage and your current prescription drug benefits through the Group Insurance Program.

Q: What is the Medicare Part D Prescription Drug Benefit?

A: Medicare Part D is the prescription drug benefit that will be available to Medicare Part A and/or Part B beneficiaries (receiving Medicare due to age, disability or End Stage Renal Disease) beginning January 1, 2006. Congress created it under the Medicare Prescription Drug, Improvement, and Modernization Act (MMA), which was signed into law on December 8, 2003.

Q: Do I have to enroll in the Medicare Part D Plan?

A: *No. You currently have prescription drug benefits through the Group Insurance Program that are the same or better than the benefits offered by the Medicare Part D Plan. If you maintain coverage through the Group Insurance Program, this prescription benefit will continue during the next plan year.

*You may be required to enroll in Medicare Part D if you are eligible for a low-income subsidy through the federal government. Later this summer, the Social Security Administration will send letters to those who may be eligible for this subsidy and provide information regarding the application process for such assistance. If you have questions regarding eligibility for the low-income subsidy, you may contact your local Social Security office for this information.

Q: If I am enrolled in the Group Insurance Program and Medicare is the primary payer for my hospital (Part A) and/or medical expenses (Part B), do I have to enroll in the Medicare Part D Prescription Plan?

A: No. Enrollment in Medicare Part D is not required. You will not lose your prescription drug benefits provided by the Group Insurance Program as long as you maintain your health coverage.

Q: Will I be penalized for enrollment in Medicare Part D at a later date?

A: No. If you maintain your health coverage provided by the Group Insurance Program, you will be provided a Notice of Creditable Coverage each fall. This Notice prevents you from being penalized if you enroll in Medicare Part D at a later date.

Q: Will my prescription copay or health premium change effective January 1, 2006?

A: No, the set copay amounts (refer to your FY06 Benefit Choice Options booklet) will not change and your health insurance premium will not change. Any changes in copay amounts or health premiums will be listed in the Benefit Choice Options booklet distributed in the Spring for FY07.

Please keep this document with your other Group Insurance Program benefit information. This information and the frequently asked questions should provide you with basic information concerning this new Medicare benefit and how it affects your prescription drug coverage through the Group Insurance Program. You will receive more detailed information from the Group Insurance Division this fall concerning the Medicare Part D benefit.