



North East Independent School District

Important Notice from North East ISD 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 North East ISD and prescription drug coverage available for people with Medicare. It also explains the options you have under Medicare 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 prescription drug coverage became available in 2006 to everyone with Medicare through Medicare prescription drug plans and Medicare Advantage Plans that offer prescription drug coverage. All Medicare 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. North East ISD has determined that the prescription drug coverage offered by the North East ISD is, on average for all plan participants, expected to pay out as much as the standard Medicare prescription drug coverage will pay and is considered Creditable Coverage.**

Because your existing coverage is on average at least as good as standard Medicare prescription drug coverage, you can keep this coverage and not pay extra if you later decide to enroll in Medicare prescription drug coverage.

Individuals can enroll in a Medicare prescription drug plan when they first become eligible for Medicare and each year from November 15th through December 31st. Beneficiary's leaving employer/union coverage may be eligible for a Special Enrollment Period to sign up for a Medicare prescription drug plan.

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

If you do decide to enroll in a Medicare prescription drug plan and drop your North East ISD prescription drug coverage, be aware that you and your dependents may not be able to get this coverage back.

Please contact us for more information about what happens to your coverage if you enroll in a Medicare prescription drug plan.

In addition, your current coverage pays for other health expenses, in addition to prescription drug, and you will still be eligible to receive all of your current health and prescription drug benefits if you choose to enroll in a Medicare prescription drug plan.

The following chart illustrates the Medicare Part D standard plan for 2006:

	What Happens	Range of Drug Costs	Cost to You (+ an estimated \$32.20 per month premium)	What Medicare Covers
1.	You must pay the calendar year deductible of \$250. If you are married you and your spouse must each satisfy this deductible.	\$0 to \$250	\$250 deductible	\$0
2.	Once you meet your \$250 deductible, you pay 25% of the next \$2,000 in eligible prescription drug costs. The Medicare Part D standard plan pays 75% of the next \$2,000 in eligible drug costs.	\$250 to \$2,250	A maximum of \$500 or 25% of the next \$2,000	\$1,500 or 75% of the next \$2,000
3.	Once you reach \$2,250 in eligible prescription drug costs, you then pay 100% of the next \$2,850 in eligible prescription costs for the year.	\$2,250 to \$5,100	A maximum of \$2,850	\$0
4.	After you reach \$5,100 in eligible prescription drug costs, you pay 5% or a co payment of \$2 for generic and \$5 for brand name drugs, whichever is greater. The Medicare Part D standard plan pays 95% of any remaining eligible prescription drugs costs for the year.	\$5,100+	5% or a co payment of \$2 for generic and \$5 for brand name drugs, whichever is greater	95% of any remaining eligible prescription drug costs for the year.

You should also know that if you drop or lose your coverage with North East ISD and don't enroll in Medicare prescription drug coverage after your current coverage ends, you may pay more (a penalty) to enroll in Medicare prescription drug coverage later.

If you go 63 days or longer without prescription drug coverage that's at least as good as Medicare's prescription drug coverage, your monthly premium will 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 will always be at least 19% higher than what many other people pay. You'll have to pay this higher premium as long as you have Medicare prescription drug coverage. In addition, you may have to wait until the following November to enroll.

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

If you have questions regarding.....

Contact.....

Blue Choice Low Option PPO Blue Choice High Option PPO NEISD group number: 93748	Blue Cross Blue Shield of Texas Customer Service Helpline 1-800-521-2227
HMO Blue Texas NEISD group number: 93748P	HMO Blue Texas Customer Service Helpline 1-888-299-2377
NEISD Employee Benefits Office	Steve Tovar, Employee Benefits Manager Risk Management Department 804-7231 ext. 240

NOTE: You will receive this notice annually and at other times in the future such as before the next period you can enroll in Medicare prescription drug coverage, and if this coverage through North East ISD changes. You also may request a copy.

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 prescription drug plans. For more information about Medicare prescription drug plans:

- 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 Medicare prescription drug coverage is available. Information about this extra help is available from the Social Security Administration (SSA) online at www.socialsecurity.gov, or you call them at 1-800-772-1213 (TTY 1-800-325-0778).

Remember: Keep this notice. If you enroll in one of the new plans approved by Medicare which offer prescription drug coverage, you may be required to provide a copy of this notice when you join to show that you are not required to pay a higher premium amount.

Date:	August 1, 2006
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