

## Medicare Part D FAQ

### *What is Medicare Part D?*

Medicare Part D is a federally sponsored prescription drug program that started January 1, 2006. It offers prescription drug coverage for everyone with Medicare. Insurance companies will be selling these prescription drug plans. Like other insurance, there is a monthly premium and participants share in the cost of prescriptions.

### *What is a Notice of Creditable Coverage?*

The State Health Plan will continue to provide primary coverage for Medicare eligible retirees. Members will receive a Notice of Creditable Coverage in November. The Notice of Creditable Coverage notifies members that their coverage under the State Health Plan is as generous as the Standard Medicare Part D benefit, and it serves as proof of such coverage. Below is a comparison of the prescription drug benefit for the State Health Plan and a standard Medicare Part D Prescription Drug Plan.

	State Health Plan	2007 Medicare Part D Standard Prescription Benefit Plan
Employee Cost	\$0*	Average Cost \$35
Deductible	\$0	\$265
Copays	Yes	No. See Below for Coinsurance amounts.
Member Co-Insurance Responsibility	None	You pay 25% from \$265.01-\$2400 You pay 100% from \$2400.01-\$5451.25 You pay 5% from \$5451.26 and above
Out of Pocket Maximum	\$2,500, then you pay \$0	\$3,850, then you pay 5% of drug cost

\* If a member selected the NC *SmartChoicePlus*<sup>SM</sup> PPO plan, using the Blue Options<sup>SM</sup> network, the monthly contribution for employee only coverage would be \$39.54.

### *Do I need to Purchase a Medicare Part D Plan?*

**Every member should evaluate his or her own coverage needs**, but the State Health Plan suggests there is no need to purchase a Medicare Prescription Drug Plan **unless you are Medicaid eligible or eligible for low-income assistance.**

***Will I have to pay higher premiums for a Medicare prescription drug plan if I keep my coverage, then switch later?***

No. Because Medicare recognizes the State Health Plan to be at least as generous as the standard Medicare Part D Benefit, you will not pay more if you decide to enroll later in a Medicare prescription drug plan.

***Who do I call if I have questions?***

For further information call:

NC *SmartChoice*<sup>SM</sup> PPO plans, using the *Blue Options*<sup>SM</sup> network: 1-888-234-2416

Indemnity Plan: 1-800-422-4658