

NOTICE OF CREDITABLE COVERAGE

FOR EMPLOYEES OF NEW YORK UNIVERSITY AND THEIR ELIGIBLE DEPENDENTS WHO ARE ENROLLED IN AN NYU MEDICAL PLAN

Please read this notice carefully and keep it where you can find it. This notice has information about your current prescription drug coverage with New York 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. Information about where you can get help to make decisions about your prescription drug coverage is at the end of this notice.

New York University Certificate of Creditable Coverage for Medicare Prescription Drug Coverage

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.

New York University has determined that the prescription drug coverage offered by the New York University retiree medical plans is, on average for all plan participants, expected to pay out as much as standard Medicare prescription drug coverage pays and is considered Creditable Coverage.

The New York University medical plans include the following:

- NYU Point-of-Service Plans
- NYU Aetna HMO
- NYU Oxford HMO

Because your existing coverage with New York University is, on average at least as good as standard Medicare prescription drug coverage, you can keep your NYU coverage and not pay a higher premium (a penalty) if you later decide to join a Medicare drug plan.

You can join a Medicare drug plan when you first become eligible for Medicare and each year from November 15th through December 31st. This may mean that you may have to wait to join a Medicare drug plan and that you may pay a higher premium (a penalty) if you join later. You may pay that higher premium (a penalty) as long as you have Medicare prescription drug coverage.

If you lose creditable prescription drug coverage, through no fault of your own, you will be eligible for a two (2) month Special Enrollment Period (SEP) because you lost creditable coverage to join a Part D plan. In addition, if you lose or decide to leave NYU-sponsored coverage, you will be eligible to join a Part D plan at that time using an Employer Group Special Enrollment Period.

Compare NYU and Medicare Plans

You should compare your current coverage with New York University, including which drugs are covered at what cost, with the coverage and costs of the plans offering Medicare prescription drug coverage in your area to make sure that NYU's coverage is best for you.

Since your NYU prescription drug coverage is part of your retiree medical plan, if you choose to enroll in a Medicare prescription drug plan, you will still be eligible to receive all of your current health and prescription drug benefits through your NYU retiree medical plan.

You should also know that if you drop or lose your coverage with NYU and you do not 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 prescription drug coverage that is at least as good as Medicare's prescription drug coverage, your monthly premium may go up at least 1% of the base beneficiary premium 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 the 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 November to join.

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

Contact the NYU Benefits Office via email at benefits@nyu.edu, or call 212-998-1270.

For more information about your options under Medicare prescription drug coverage...

More detailed information about Medicare plans that offer prescription drug coverage will be available in the "Medicare & You" handbook. If you are Medicare eligible, you will get a copy of the handbook in the mail from Medicare. You may also be contacted directly by Medicare prescription drug plans.

You can also get more information about Medicare prescription drug coverage from:

- Visit 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 1-877-327-2048.

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 whether or not you are required to pay a higher premium (a penalty).