
NOTICE OF CREDITABLE COVERAGE

The following Notice is published in accordance with regulations promulgated by the Centers for Medicare Services (CMS), pursuant to the Medicare Prescription Drug, Improvement, and Moderation Act of 2003.

Important Notice from Lawrence Technological University (LTU) 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 LTU 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. LTU has determined that the prescription drug coverage offered by the Alliance Health and Life and Blue Care Network are, 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.

Individual's 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 Lawrence Technological University 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.

Each year after that, you will have the opportunity to enroll in a Medicare prescription drug plan between November 15th through December 31st.

Note that even if you do decide to enroll in a Medicare prescription drug plan, under LTU rules you nonetheless may not drop your LTU prescription drug coverage (during the plan year). In that case, your LTU drug coverage will be primary and your Medicare prescription drug plan will be secondary. Note, however, that this paragraph does not apply to individuals whose LTU medical plan does not include prescription drug coverage.

If you drop your coverage with LTU and enroll in a Medicare prescription drug plan, you may not be able to get this coverage back later (during the plan year). 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 are a **COBRA beneficiary** you may drop your LTU coverage in full, including prescription drug coverage, and enroll in Medicare prescription drugs, subject to eligibility. However, you may not be able to get this coverage back later. If you do elect COBRA continuation coverage, your COBRA prescription drug coverage will be secondary to your Medicare prescription drug plan coverage. In addition, your current coverage pays for other health expenses, in addition to prescription drugs, and you will [or will not] 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. 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.

You should also know that if you drop or lose your coverage with LTU and don't enroll in Medicare prescription drug coverage after your current coverage ends, you may pay more to enroll in Medicare prescription drug coverage after your 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 after May 15, 2006 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 coverage. In addition, you may have to wait until next November to enroll.

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

Contact the Office of Human Resources at (248) 204-2150 or 2151 for further information. **NOTE:** You may receive this notice 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 LTU 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 from Medicare 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 for personalized help,
- Call your State Health Insurance Assistance Program (see your copy of the Medicare & You handbook for their telephone number),
- 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 a Medicare prescription drug plan is available. Information about this extra help is available from the Social Security Administration (SSA). For more information about this extra help, visit SSA online at www.socialsecurity.gov, or 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 after May 15, 2006, you may need to give a copy of this notice when you join to show that you are not required to pay a higher premium amount.

Updated October 12, 2006
Lawrence Technological University
Office: Office of Human Resources
21000 West Ten Mile Road, Southfield, MI 48075
(248) 204-2150 or 2151