

Notice of Creditable Coverage for Medicare Part D

This notice includes important information about the prescription drug coverage you are eligible to receive through Advocate Health Care (Advocate) and the coverage you could obtain through Medicare Part D, beginning January 1, 2009. It also tells you where to find more information if you need it. Please read this notice carefully and save it because you might need it in the future.

You will receive this notice each year. You may request another copy of this notice and you may receive an updated copy of this notice in future years, as required by the Centers for Medicare and Medicaid Services (CMS). You may also request a copy.

Important Note: You should keep this notice and file it in a safe place. If you enroll in a Medicare Part D option after December 31, 2008, you will need to provide a copy of this notice when you enroll so that you do not pay a late enrollment penalty.

The Medicare Prescription Drug Option

Medicare prescription drug coverage became available starting January 1, 2006 to anyone who is eligible for Medicare benefits. As you are probably aware, Medicare Part D coverage is an alternative option and it is voluntary. 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 if you join later. You may pay that higher premium (a penalty) as long as you have Medicare prescription drug coverage. However, if you lose creditable prescription drug coverage, through no fault of your own, you will be eligible for a sixty (60) day Special Enrollment Period (SEP) because you lost creditable coverage to join a Part D plan.

If you elect coverage through Medicare Part D, you will pay a monthly premium and share the cost of any prescription drugs you purchase. All Medicare prescription drug plans will provide at least a standard level of coverage set by Medicare. Certain health plan or prescription drug vendors who are offering this coverage could include more or better

benefits for a higher monthly premium, so it's important to understand what your options are and what benefits are being provided.

Advocate Health Care Prescription Drug Coverage

As you know, Advocate Health Care provides active employees and their dependents who are eligible Medicare beneficiaries with medical coverage, which includes prescription drug benefits. **Advocate has determined that the prescription drug coverage provided through the company-sponsored medical plan is, on average for most plan participants, at least as good as and, in most cases, better than the coverage that Medicare will provide.** For this reason, we expect that most Medicare-eligible actives and dependents will *not* want to enroll in the Medicare prescription drug option.

The one possible exception is if you have limited income and resources. In this case, you may receive extra help paying for prescription drugs through a Medicare Part D plan. If you believe you might qualify for this special assistance and have not already received information, you may contact the Social Security Administration (see page 3) to determine whether you qualify and what assistance is available.

Comparing Your Options

We encourage you to compare your Advocate coverage, including which drugs are covered, with the coverage and cost of the plans offering Medicare prescription drug coverage in your area.

Enrolling for 2009

If you are keeping Advocate Health Care coverage and not enrolling in a Medicare Part D plan, there is nothing you need to do.

If you do decide to elect prescription drug coverage through a Medicare Part D plan for 2009, you may enroll beginning November 15, 2008. Beginning in October, you may have received more information from Medicare about the enrollment process. **If you enroll in a Medicare Part D plan, your medical and prescription drug coverage through Advocate will be the primary coverage. Therefore, there will be limited or no benefits that will be payable through the Medicare Part D coverage.**

If you do decide to join a Medicare drug plan and drop your Advocate prescription drug coverage, be aware that you and your dependents may not be able to get this coverage back.

You should know that if you drop or lose your coverage with Advocate and don't join a Medicare drug plan within 63 continuous days after your current coverage ends, you may pay a higher premium to join a Medicare drug plan later.

If you go 63 continuous days or longer without prescription drug coverage that's at least as good as Medicare's prescription drug coverage, your monthly premium may go up by 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 may consistently be at least 19% higher than the base beneficiary premium. You may 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 join. Each year, you will have the opportunity to elect prescription drug coverage through Medicare between November 15th through December 31st.

For More Information

The Centers for Medicare and Medicaid Services (CMS) has also published its "*Medicare & You*" handbook. If you want additional details from Medicare, you may:

- Visit www.medicare.gov for personalized help
- Call 1-800-MEDICARE (1-800-633-4227) or 1-877-486-2048 for TTY users
- Call your State Health Insurance Assistance Program (see your copy of the "*Medicare & You*" handbook for the appropriate telephone number)

If you need more information about the extra assistance that is being provided for people with low income and limited resources, you may:

- Visit www.socialsecurity.gov
- Call 1-800-772-1213 (1-800-325-0778 for TTY users).

You may also receive information from health care and prescription drug vendors who will be providing the Medicare prescription drug plans. You should feel free to contact these plans directly for more information.

If you need more information about the medical and prescription drug benefits you receive through Advocate's plan, you may contact:

Name of Entity/Sender:	Advocate Health Care
Contact—Position/Office:	Advocate InfoExpress
Address:	2835 S. Decker Lake Drive Salt Lake City, UT 84119
Phone Number:	1-800-775-4784
Website:	www.advocateinfoexpress.com