



NOTICE

Medicare Eligible Employees or Dependents Only

November 8, 2005

Starting January 1, 2006, Medicare will add a new prescription drug plan to its medical benefits program. This new benefit – called Medicare Part D – fills an important gap within the current Medicare program by covering prescription drugs. Enclosed is a Letter of Creditable Coverage that Medicare-eligible members will need if they choose to enroll in Medicare Part D after the initial enrollment period for this new plan.

As required by Federal law, all employers must notify their Medicare-eligible employees and dependents of this new benefit and inform those employees if the current prescription drug coverage is creditable, that is, if that coverage, on average, pays as much in benefits as the standard Medicare Part D prescription drug plan.

Although this Notice is only required to be sent to Medicare-eligible employees or dependents, we have elected to send the information to all participants since you may have a Medicare-eligible dependent of which we are unaware.

If you or any dependent are not eligible for Medicare coverage, this Notice does not apply to you. However, it may be beneficial to read the enclosed information so you are aware of the changes in the Medicare prescription drug benefits for the future.

If you or any dependents are eligible for Medicare, please read the enclosed information carefully. For further information, please visit the Medicare website at www.medicare.gov or call 1-800-633-4227.

State of Oklahoma Employees Benefits Council

Important Notice from the State of Oklahoma Employees Benefits Council 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 the State of Oklahoma Employees Benefits Council and new prescription drug coverage available January 1, 2006 for people with Medicare. It also tells you where to find more information to help you make decisions about your prescription drug coverage.

- 1. Starting January 1, 2006, new Medicare prescription drug coverage will be available to everyone with Medicare.**
- 2. State of Oklahoma Employees Benefits Council has determined that the prescription drug coverage offered by the State of Oklahoma Employees Benefits Council Health Plans is, on average for all plan participants, expected to pay out as much as the standard Medicare prescription drug coverage will pay.**
- 3. Read this notice carefully - it explains the options you have under Medicare prescription drug coverage, and can help you decide whether or not you want to enroll.**

You may have heard about Medicare's new prescription drug coverage, and wondered how it would affect you. The State of Oklahoma Employees Benefits Council has determined that your prescription drug coverage with the State of Oklahoma Employees Benefits Council Health Plans is, on average for all plan participants, expected to pay out as much as the standard Medicare prescription drug coverage will pay.

Starting January 1, 2006, prescription drug coverage will be available to everyone with Medicare through Medicare prescription drug plans. All Medicare prescription drug plans will provide at least a standard level of coverage set by Medicare. Some plans might also offer more coverage for a higher monthly premium.

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 coverage.

People with Medicare can enroll in a Medicare prescription drug plan from November 15, 2005 through May 15, 2006. However, because you have existing prescription drug coverage that, on average, is as good as Medicare coverage, you can choose to join a Medicare prescription drug plan later. Each year after that, you will have the opportunity to enroll in a Medicare prescription drug plan between November 15th through December 31st.

If you do decide to enroll in a Medicare prescription drug plan and drop your State of Oklahoma Employees Benefits Council prescription drug coverage, be aware that you may not be able to get this coverage back.

If you drop your coverage with the State of Oklahoma Employees Benefits Council and enroll in a Medicare prescription drug plan, you may not be able to get this coverage back later. 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 want to review the current prescription drug coverage available through the State of Oklahoma Employees Benefits Council, please refer to the Plan Year 2006 Health Plan Comparison. As a beneficiary you will have two options available to you when Medicare Part D benefit becomes available:

- retaining your existing coverage and choosing not to enroll in Medicare Part D plan; or
- enrolling in a Medicare Part D plan as a supplement to, or in lieu of, your current coverage.

Your current coverage pays for other health expenses, in addition to prescription drugs, 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.

You should also know that if you drop or lose your coverage with the State of Oklahoma Employees Benefits Council 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 later. If after May 15, 2006, 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 most 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 our office for further information at 1-800-219-8115. 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 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 available as of October 2005 in the "Medicare & You 2006" handbook. You'll 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 plans from these places:

- 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.

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