



Office of Human Resources and Equal Opportunity
12345 El Monte Road, Los Altos Hills, CA 94022

To: All Active Employees, Retirees, Surviving Spouses and Eligible Dependents covered under PPO+ and PPO Network Only Medical Plans

From: Christine Vo
Benefits and Workers' Compensation Analyst

Date: October 14, 2005

Subject: Important Notice About Your Prescription Drug Coverage and Medicare Part D

Please read this notice carefully and keep it where you can find it. This notice has information about your current prescription drug coverage with Foothill-De Anza Community College District and new prescription drug coverage available January 1, 2006 for all Medicare recipients. It also tells you where to find more information to help you make decisions about your prescription drug coverage.

- 1. Beginning January 1, 2006, new Medicare prescription drug coverage will be available to people covered by Medicare.**
- 2. Foothill-De Anza Community College District has determined that the prescription drug coverage offered by the District is, on average for all plan participants, expected to pay out as much as or more than the standard Medicare prescription drug coverage.**

Over the next several months, you will probably be flooded with information about Medicare – Part D (new prescription drug coverage). 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. However, because your existing coverage is on average at least as good as or better than the standard Medicare prescription drug coverage, you can keep the District coverage. If you decide later to enroll in Medicare Part D coverage, you will not be penalized.

You are hereby advised NOT to purchase Medicare drug coverage from any other health plan or pharmacy. The District has applied for Medicare Part D subsidy. You do not have to enroll.

Please note: if you do choose to enroll in a Medicare drug plan, you could jeopardize your group health plan coverage and may not be able to get back the coverage at a later date. Since the District's prescription drug plan is included in its health plan, you will need to drop all coverage to enroll in the Medicare plan.

Also note that if you drop or lose your coverage with Foothill-De Anza Community College District and fail to enroll in Medicare prescription drug coverage after your current coverage ends, you may pay more to enroll in Medicare prescription drug coverage later. Effective May 15, 2006, if there is a gap in prescription drug coverage (that is at least as good as Medicare's prescription drug coverage) of 63 days or longer your monthly premium will increase by at least 1% per month for every month after your initial enrollment period 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 will 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.

If you have any questions, please contact Christine Vo, Benefits and Workers' Compensation Analyst, via email VoChristine@fhda.edu. You can get additional information about Medicare Part D plans by visiting www.medicare.gov or call 1-800-633-4227 (TTY users call 1-877-486-2048).

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/or if coverage changes. You also may request a copy.

Remember: Keep this notice. If you enroll in one of the new plans approved by Medicare that offer prescription drug coverage after May 15, 2006, you may need to submit a copy of this notice when you join to show that you are not required to pay a higher premium amount.

Date:	October 14, 2005
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Creditable coverage disclosure notice