



**Important Notice from the Department of Defense Nonappropriated Fund  
Health Benefits Program  
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 Department of Defense (DoD) Nonappropriated Fund Health Benefits Program (NAF HBP) 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, called Medicare Part D, will be available to everyone with Medicare.**
- 2. The Department of Defense NAF employers consulted with professional actuaries to determine that the prescription drug coverage offered by the DoD NAF HBP is, on average for all plan participants, expected to pay out as much as the standard Medicare prescription drug coverage will pay. This notice provides evidence of the NAF HBP's creditable coverage.**
- 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.**

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Starting January 1, 2006, prescription drug coverage will be available to everyone with Medicare. People with Medicare can enroll in a Medicare prescription drug plan from November 15, 2005, through May 15, 2006. Each year after that, between November 15<sup>th</sup> through December 31<sup>st</sup>, Medicare recipients will have the opportunity to enroll in a Medicare prescription drug plan. 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.

**You do not have to enroll in a new Medicare prescription plan. The NAF HBP will continue to offer you comprehensive prescription drug coverage in 2006. The NAF HBP prescription drug coverage is on average at least as good as standard Medicare prescription drug coverage.**

To make a decision whether to enroll in Medicare prescription drug coverage, you should compare your current NAF HBP prescription drug coverage, including which drugs are covered, with the coverage and cost of the plans offering Medicare prescription drug coverage in your area. Your options include:

**1. You can continue enrollment in the NAF HBP coverage and not enroll in the new Medicare prescription drug coverage.**

**Because your NAF HBP prescription drug coverage is on average at least as good as standard Medicare prescription drug coverage, if you do not join a Medicare prescription drug plan now, you can choose to join one later without any penalty for late enrollment.**

However, if you drop or lose your coverage with DoD NAF HBP and don't enroll in Medicare prescription drug coverage within 62 days or less after NAF HBP 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 the next annual Medicare enrollment period in November.

**2. You can continue enrollment in the NAF HBP and also enroll in the new Medicare prescription drug coverage. However, you will not receive reimbursement from both programs for the same prescription drug expenditure.**

If you are considering remaining in the NAF HBP and also enrolling in the new Medicare prescription drug coverage, you should be aware that the DoD NAF HBP cannot coordinate benefits with Medicare for prescription drugs in plan year 2006. Therefore, you will not be able to receive payment from both Medicare and the DoD NAF HBP for your prescription drug expenses. If you carry both the NAF HBP and Medicare Part D coverage, you may only submit a prescription drug claim to one of the programs, not both.

The DoD NAF HBP pays for preventive health care, medical care, and hospital services, as well as prescription drugs. If you choose to continue NAF HBP coverage and enroll in a Medicare prescription drug plan, you will still be eligible to receive all of your current NAF medical insurance coverage.

**3. You can drop your NAF HBP medical plan and prescription drug coverage and enroll in a Medicare prescription drug plan.**

If you drop your NAF HBP coverage, you will not only be dropping your NAF HBP prescription drug coverage, but also the rest of your NAF medical coverage. If you drop NAF HBP coverage, you may not have the opportunity to get this coverage back.

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

Contact our office for further information. Contact information is provided at the end of this form. 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, or if this coverage changes. You also may request a copy of this notice.

**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 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](http://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](http://www.socialsecurity.gov), or call them at 1-800-772-1213 (TTY 1-800-325-0778).

<p><b>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.</b></p>
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