



Important Notice from VA About Your Prescription Drug Benefit and Medicare

Please read this notice carefully and keep it where you can find it. This notice has information about your current VA prescription drug Benefit and new prescription drug coverage available January 1, 2006 for people with Medicare (Medicare Part D). 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. Enrollment in the VA health care system provides a prescription drug benefit that has been determined to be as good as the benefit provided under a Medicare prescription drug plan. As a result VA enrollment provides "creditable coverage" for Medicare Part D purposes.**
- 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. 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. VA has determined that the prescription drug benefit provided as part of the medical benefits package for those veterans enrolled in the VA health care system, on average for all enrollees, is expected to provide a benefit that meets or exceeds what the standard Medicare prescription drug coverage will pay ("creditable coverage").

People with Medicare can enroll in a Medicare prescription drug plan from November 15, 2005 through May 15, 2006. Then, each year, beginning in 2006, everyone will have the opportunity to enroll in a Medicare prescription drug plan between November 15th and December 31st. However, some people who choose to enroll later may be subject to a penalty. **Because your existing VA health care and prescription drug benefits are at least as good as Medicare coverage, you can choose to join a Medicare prescription drug plan later without penalty.**

Remember that in addition to prescription drugs, your current medical benefit package provides many other health care benefits. If you choose to enroll in a Medicare prescription drug plan you will still be eligible to receive all of your current VA health and prescription drug benefits.

You do not have to choose between VA prescription drug benefits and a Medicare prescription drug plan; you may have either or both. However, if you do decide to enroll in a Medicare prescription drug plan and disenroll from VA, be aware that you may not be able to re-enroll later if VA is not enrolling all priority groups.

If you disenroll from VA and enroll in a Medicare prescription drug plan, you may not be able to re-enroll later if VA is not enrolling all priority groups.

If VA takes some action that causes you to lose your VA benefits (e.g., VA makes an enrollment decision that would further restrict access to certain Priority Groups), you can enroll in a Medicare prescription drug plan, without penalty, within 62 days of the end of your VA coverage. Enrollment in the Medicare Part D program must be applied for within the 62 day time limit to avoid the penalty.

If you are a veteran who is or who becomes a patient or inmate in an institution of another government agency (for example, a state veterans home, a state mental institution, a jail, or a corrections facility), you may not have creditable coverage from VA while in that institution. Veterans who are unsure whether this may apply to them should contact the institution where they reside, the VA Health Benefits Service Center at 1-877-222-VETS (8387), or their local VA medical facility.

For more information about this notice or VA health care benefits in general...For further information, call the VA Health Benefits Service Center at 1-877-222-VETS (8387), visit our website at www.va.gov/healtheligibility or visit your local VA medical facility.

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 beginning in October 2005 in the "Medicare & You 2006" handbook. You'll get a copy of the handbook in the mail from Medicare. You also may be contacted directly by Medicare prescription drug plans. You can 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.