



**Benefit Services**  
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**MEMORANDUM**

**DATE:** May 8, 2006  
**TO:** All NMSU Retirees Enrolled in Medical Coverage  
**FROM:** René Yoder SPHR – Benefits Manager  
**SUBJECT:** 2007-2008 Retiree Benefits and Medicare Part D Creditable Coverage Notice

**General Information:**

There will be no change to the medical portion of the retiree insurance programs. Retirees under the age of 65, and retirees enrolled in Medicare and under the age of 70 will see an increase in premiums (see attached premium charts). The university will begin paying 25% of the premiums for retirees over age 70 beginning July 1, 2007.

The total monthly cost of the premiums will increase by 5.6% as of July 1, 2007. Each retiree will see a portion of that increase reflected in their monthly premium.

**PLEASE NOTE, IF YOU ELECT TO DROP THIS COVERAGE, YOU WILL NOT BE ALLOWED TO ENROLL IN NMSU’S MEDICAL COVERAGE PROGRAM AT A LATER DATE.**

**Prescription Coverage:**

There will be no change to the prescription portion of the retiree insurance program. Questions regarding specialty prescriptions should be referred to NMSU’s Dedicated Service Unit with Blue Cross and Blue Shield of New Mexico toll free at 1-866-369-6678.

	Generic	Retail Pharmacy 1-month supply		Mail Order 3-month supply		
		Formulary	Non- Formulary	Generic	Formulary	Non- Formulary
Co-insurance	20%	30%	40%	20%	30%	40%
Minimum	\$10	\$25	\$45	\$20	\$50	\$90
Maximum	\$20	\$45	\$80	\$40	\$90	\$160

\* If a retiree chooses a name brand prescription when a generic is available, the retiree will pay the generic co-pay, plus the cost difference between the generic and name brand prescription.

**Employee Health Center:**

Effective September 1, 2006 all retirees and their dependents enrolled in the university medical program and using the Employee Health Center will be charged a \$5.00 co-pay for office visits. More information regarding this program may be obtained from the Employee Health Center at 646-6600.

## **Medicare Part D:**

On December 8, 2003, President Bush signed the *Medicare Prescription Drug, Improvement and Modernization Act of 2003* into law. The primary focus of this legislation was to provide outpatient prescription drug benefits for Medicare beneficiaries effective January 1, 2006. This memo is being provided to give you information on prescription coverage under NMSU's medical plans and the new Medicare Part D prescription benefit.

### **How am I affected by the new Medicare Part D prescription drug benefit?**

NMSU is pleased to inform you that if you are enrolled in one of our medical plans offered through Blue Cross Blue Shield of New Mexico from July 1, 2007 – June 30, 2008, you will not be required to enroll in Medicare Part D (through Medicare) or pay the additional Medicare Part D premium to Medicare. Therefore, no action will be required on your part with respect to enrolling in Medicare Part D on your own. NMSU's current prescription coverage through BCBSNM for the 2007-2008 plan year is as good as, or better than, Medicare Part D coverage. Please keep this memo as it will serve as your letter of creditable coverage for this plan year.

### **What if I enroll in Medicare Part D?**

If you are enrolled in the NMSU Medicare Carve Out Plan through BCBSNM and purchase another Medicare Part D plan on your own, you will not receive any prescription benefits through the NMSU Medicare Carve Out Plan. Your entire outpatient prescription drug benefits will need to be obtained through your Medicare Part D purchased plan. **PLEASE NOTE, IF YOU ELECT TO ENROLL IN MEDICARE PART D AND DROP THIS COVERAGE, YOU WILL NOT BE ALLOWED TO ENROLL IN NMSU'S PRESCRIPTION PROGRAM AT A LATER DATE.**

### **Frequently Asked Questions:**

- 1. Do I need to enroll in a Medicare Part D plan with any of the companies that send me information on their programs?**  
No. If you would like to have the prescription drug benefits provided through the medical plan that NMSU offers, you should not enroll in other Medicare Part D plan coverage.
- 2. Will I have to pay the monthly fee for Medicare Part D?**  
No. If you are enrolled in coverage through NMSU's plan with BCBSNM, you do not have to pay the monthly fee.
- 3. Is the coverage under the medical plans offered by NMSU better than or as good as coverage I could get under Medicare Part D?**  
Yes. It is as good as or better than the standard Part D benefit.
- 4. If I choose to enroll in Medicare Part D, how will BCBSNM or NMSU know that I have enrolled in another Medicare Part D plan?**  
NMSU will be alerted by Medicare that you have enrolled in a Medicare Part D plan, and NMSU will remove you from the prescription drug coverage under the BCBSNM plan effective the date your Medicare Part D coverage begins.
- 5. What will happen to the Medicare retiree prescription drug benefits after this year?**  
Each year, NMSU will be evaluating the options available to employers as they pertain to Medicare Part D prescription drug benefit. NMSU reserves the right to make changes or to cancel the prescription drug program at any time. Information regarding changes will be communicated via e-mail, the NMSU retiree website and/or postal mail.

**Information Meeting:**

NMSU Benefit Services will be holding a question and answer meeting for all interested parties regarding the Retiree medical insurance program on **Thursday, May 24, 2007 at 2:00 pm in the Corbett Center Auditorium.**

**Questions:**

If you have any questions regarding this memo, please contact Benefit Services at (505) 646-1741 or [benefits@nmsu.edu](mailto:benefits@nmsu.edu) . If you have any questions regarding Medicare Part D prescription drug benefit and/or available products, you may call Medicare toll-free at 1-800-MEDICARE (1-800-633-4223) or visit [www.medicarerights.org/Index.html](http://www.medicarerights.org/Index.html) .

**RETIREES UNDER AGE 65\*\***  
**PREFERRED PROVIDER ORGANIZATION (PPO) 250**  
**NMSU HEALTH PLAN**  
**PREMIUMS BEGINNING JULY 1, 2007 - JUNE 30, 2008**

<b>Retiree Under 65</b>	<b>TOTAL</b>	<b>UNIVERSITY</b>	<b>RETIREE</b>
A1. Retiree Only	\$ 452.90	\$ 271.74	\$ 181.16
A2. Retiree and Spouse (Under 65)	\$ 905.81	\$ 543.49	\$ 362.32
A3. Retiree and Spouse (Over 65 or Under 65 on Medicare)*	\$ 802.70	\$ 481.62	\$ 321.08
G1. Retiree and Spouse (Over 65 or Under 65 on Medicare)*+	\$ 631.24	\$ 378.74	\$ 252.50
A4. Retiree, Spouse (Under 65) and Child(ren)	\$ 1,313.41	\$ 788.05	\$ 525.36
A5. Retiree, Spouse (Over 65 or Under 65 on Medicare) and Child(ren)*	\$ 1,255.61	\$ 753.37	\$ 502.24
G2. Retiree, Spouse (Over 65 or Under 65 on Medicare) and Child(ren)*+	\$ 1,084.15	\$ 650.49	\$ 433.66
A6. Retiree and Child(ren)	\$ 905.81	\$ 543.49	\$ 362.32
A7. Retiree, Spouse (Under 65) and Child(ren) [on Medicare]*	\$ 1,255.61	\$ 753.37	\$ 502.24
G3. Retiree, Spouse (Under 65) and Child(ren) [on Medicare]*+	\$ 1,084.15	\$ 650.49	\$ 433.66

<b>Retiree Under 65 with New Spouse Acquired After Retirement</b>	<b>TOTAL</b>	<b>UNIVERSITY</b>	<b>RETIREE</b>
A8. Retiree and Spouse (Under 65)	\$ 905.81	\$ 271.74	\$ 634.07
A9. Retiree and Spouse (Over 65 or Under 65 on Medicare)*	\$ 802.70	\$ 271.74	\$ 530.96
G4. Retiree and Spouse (Over 65 or Under 65 on Medicare)*+	\$ 631.24	\$ 271.74	\$ 359.50

<b>Surviving Spouse Under 65 Unless Remarried**</b>	<b>TOTAL</b>	<b>UNIVERSITY</b>	<b>SPOUSE</b>
D1. Spouse Only	\$ 452.90	\$ -	\$ 452.90
D2. Spouse and Child(ren)	\$ 905.81	\$ -	\$ 905.81
D3. Child Only	\$ 452.90	\$ -	\$ 452.90

\* All spouses and child(ren) age 65 and over, and under age 65 and enrolled in Medicare will have coverage only through Blue Cross Blue Shield of New Mexico Medicare Carve Out Plan.

\*\* Retirees or Surviving Spouses under age 65 and enrolled in Medicare will have coverage only through the Blue Cross Blue Shield of New Mexico Medicare Carve Out Plan, and should refer to the chart on the reverse side of this form for premium information.

+ Enrolled in Medicare Part D

Revised 5/8/2007

*Retirees Not Enrolled in Medicare Part D*

<p><b>RETIREES OVER AGE 65 OR UNDER 65 ON MEDICARE</b>  <b>MEDICARE CARVE OUT</b>  <b>NMSU HEALTH PLAN</b>  <b>PREMIUMS BEGINNING JULY 1, 2007 JUNE 30, 2008</b></p>
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Retiree Over 65 And Under 70	TOTAL	UNIVERSITY	RETIREE
B1. Retiree Only	\$ 349.80	\$ 209.88	\$ 139.92
B2. Retiree and Spouse (Under 65)	\$ 802.70	\$ 481.62	\$ 321.08
B3. Retiree and Spouse (Over 65 or Under 65 on Medicare)	\$ 699.61	\$ 419.77	\$ 279.84
B4. Retiree, Spouse (Under 65) and Child(ren)	\$1,255.61	\$ 753.37	\$ 502.24
B5. Retiree, Spouse (Over 65 or Under 65 on Medicare) and Child(ren)	\$1,152.51	\$ 691.51	\$ 461.00
B6. Retiree and Child(ren)	\$ 802.70	\$ 481.62	\$ 321.08

Retiree Over 65 and Under 70 with New Spouse Acquired After Retirement	TOTAL	UNIVERSITY	RETIREE
B7. Retiree and Spouse (Under 65)	\$ 802.70	\$ 209.88	\$ 592.82
B8. Retiree and Spouse (Over 65 or Under 65 on Medicare)	\$ 699.61	\$ 209.88	\$ 489.73

Retiree 70 and Older	TOTAL	UNIVERSITY	RETIREE
C1. Retiree Only	\$ 349.80	\$ 87.45	\$ 262.35
C2. Retiree and Spouse (Under 65)	\$ 802.70	\$ 200.68	\$ 602.03
C3. Retiree and Spouse (Over 65 or Under 65 on Medicare)	\$ 699.61	\$ 174.90	\$ 524.71
C4. Retiree, Spouse (Under 65) and Child(ren)	\$1,255.61	\$ 313.90	\$ 941.71
C5. Retiree, Spouse (Over 65 or Under 65 on Medicare) and Child(ren)	\$1,152.51	\$ 288.13	\$ 864.38
C6. Retiree and Child(ren)	\$ 802.70	\$ 200.68	\$ 602.03

Retiree 70 and Older with New Spouse Acquired After Retirement	TOTAL	UNIVERSITY	RETIREE
C7. Retiree and Spouse (Under 65)	\$ 802.70	\$ 87.45	\$ 715.25
C8. Retiree and Spouse (Over 65 or Under 65 on Medicare)	\$ 699.61	\$ 87.45	\$ 612.16

Surviving Spouse Over 65 or Under 65 on Medicare Unless Remarried	TOTAL	UNIVERSITY	SPOUSE
D4. Spouse Only	\$ 349.80	\$ -	\$ 349.80
D5. Spouse and Child(ren)	\$ 802.70	\$ -	\$ 802.70

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**RETIREES OVER AGE 65 OR UNDER 65 ON MEDICARE**  
**MEDICARE CARVE OUT**  
**NMSU HEALTH PLAN**  
**PREMIUMS BEGINNING JULY 1, 2007 - JUNE 30, 2008**

<b>Retiree Over 65 And Under 70</b>	<b>TOTAL</b>	<b>UNIVERSITY</b>	<b>RETIREE</b>
E1. Retiree Only	\$178.34	\$107.00	\$71.34
E2. Retiree and Spouse (Under 65)	\$631.24	\$378.74	\$252.50
E3. Retiree and Spouse (Over 65 or Under 65 on Medicare)	\$356.67	\$214.00	\$142.67
E4. Retiree, Spouse (Under 65) and Child(ren)	\$1,084.15	\$650.49	\$433.66
E5. Retiree, Spouse (Over 65 or Under 65 on Medicare) and Child(ren)	\$1,166.24	\$699.74	\$466.50
E6. Retiree and Child(ren)	\$631.24	\$378.74	\$252.50

<b>Retiree Over 65 and Under 70 with New Spouse Acquired After Retirement</b>	<b>TOTAL</b>	<b>UNIVERSITY</b>	<b>RETIREE</b>
E7. Retiree and Spouse (Under 65)	\$631.24	\$107.00	\$524.24
E8. Retiree and Spouse (Over 65 or Under 65 on Medicare)	\$356.67	\$107.00	\$249.67

<b>Retiree 70 and Older</b>	<b>TOTAL</b>	<b>UNIVERSITY</b>	<b>RETIREE</b>
F1. Retiree Only	\$178.34	\$44.59	\$133.76
F2. Retiree and Spouse (Under 65)	\$631.24	\$157.81	\$473.43
F3. Retiree and Spouse (Over 65 or Under 65 on Medicare)	\$356.67	\$89.17	\$267.50
F4. Retiree, Spouse (Under 65) and Child(ren)	\$1,084.15	\$271.04	\$813.11
F5. Retiree, Spouse (Over 65 or Under 65 on Medicare) and Child(ren)	\$1,166.24	\$291.56	\$874.68
F6. Retiree and Child(ren)	\$631.24	\$157.81	\$473.43

<b>Retiree 70 and Older with New Spouse Acquired After Retirement</b>	<b>TOTAL</b>	<b>UNIVERSITY</b>	<b>RETIREE</b>
F7. Retiree and Spouse (Under 65)	\$631.24	\$44.59	\$586.66
F8. Retiree and Spouse (Over 65 or Under 65 on Medicare)	\$356.67	\$44.59	\$312.09

<b>Surviving Spouse Over 65 or Under 65 on Medicare Unless Remarried</b>	<b>TOTAL</b>	<b>UNIVERSITY</b>	<b>SPOUSE</b>
G5. Spouse Only	\$178.34	\$ -	\$178.34
G6. Spouse and Child(ren)	\$631.24	\$ -	\$631.24

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