



# Ford, Medicare & you

For U.S. Hourly Medicare Enrollees September 25, 2006

The enclosed "Notice of Creditable Coverage" provides the information you need to understand:

- ▶ How your current Ford Motor Company **prescription benefits compare to the Medicare prescription drug coverage** available for people with Medicare
- ▶ Why only those who receive Medicaid or are low income should consider joining a Medicare drug plan

The government requires us to send a Notice of Creditable Coverage annually to Medicare enrollees.

Just like last year, Medicare will be holding a Medicare Prescription Drug Plan (Medicare Part D) annual open enrollment period in the fall. At that time you may receive communications in the mail, phone calls or see TV advertisements about the Medicare Part D plans offered in your area. Although this may all seem overwhelming, if you are enrolled in Ford health care coverage, here's what you need to know:

- ▶ The **prescription drug coverage through your Ford health care plan is better** than the standard Medicare prescription drug benefit\*
- ▶ As long as you and/or your covered family members **do nothing – do not join a Medicare drug plan** – your prescription drug coverage through Ford will continue
- ▶ If you and/or your covered family members join a Medicare prescription drug plan, **Ford Motor Company prescription drug coverage will be suspended for that member**

\* The only exception is for those who **receive Medicaid or have limited income** and resources and qualify for extra help from the government. If you qualify, the Centers for Medicare and Medicaid Services (CMS) will send you a letter or may automatically enroll you. Because of the assistance offered, you may end up spending less if you select a Medicare Prescription Drug Plan.

## Enclosed: 2006-2007 Notice of Creditable Coverage

Ford and other employers who offer health care coverage are required by law to notify Medicare enrollees, annually, about how their current prescription drug coverage compares to the standard Medicare prescription drug coverage.

The enclosed Notice of Creditable Coverage provides assurance to you that, on average, the prescription benefits through Ford are as good or better than a standard Medicare prescription drug plan. It also assures you that you may join a Medicare prescription drug plan at a later date, with no penalty, if your creditable coverage through Ford ever changes. Please keep the Notice for your records.



# Answers to your Frequently Asked Questions...

## **1. *What will happen if I apply to join a Medicare prescription drug plan?***

First, Medicare will reject your application and ask you to consult your Employer to learn about how joining a Medicare prescription drug plan may impact your employer-provided benefits. Then, if you still decide to enroll in the Medicare Plan (Part D), Medicare will notify Ford of your enrollment and your Ford prescription drug plan will be suspended.

## **2. *How much does a Medicare Part D plan cost?***

The 2007 base price of a standard Medicare Part D plan will be \$27.35 per month, per enrollee, and requires a \$265 prescription deductible per year as well as higher co-pays until reaching \$3,850 out-of-pocket for prescriptions.

## **3. *Do I have to decline Medicare prescription drug coverage in order to continue my Ford coverage?***

For most people, no action is required to keep your Ford drug coverage. If you receive Medicaid, you are automatically enrolled in a Medicare prescription drug plan, which may be a better choice for you.

## **4. *Can I be enrolled in two prescription drug plans at the same time – a Ford plan provided through my health care plan and a Medicare Part D plan?***

No. If you are in a Medicare prescription drug plan, your prescription drug coverage through Ford Motor Company is suspended.



**Note:** The information in this newsletter has been provided to you based upon Ford Motor Company policies as of this date and the current guidance provided by the Centers for Medicare & Medicaid Services (CMS). It is intended for people who are eligible for health care benefits through Ford Motor Company. If you received this newsletter and you are not eligible for Ford health care benefits when you retire, this information does not pertain to you.