

Plumbers and Pipefitters Local Union #94 Fringe Benefit Funds

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Important Notice from Plumbers & Pipefitters Local #94 Health & Welfare Fund 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 Plumbers & Pipefitters Local #94 Health & Welfare Fund and about your options under Medicare's prescription drug coverage. This information can help you decide whether or not you want to join a Medicare drug plan. If you are considering joining, you should compare your current coverage, including which drugs are covered at what cost, with the coverage and costs of the plans offering Medicare prescription drug coverage in your area. Information about where you can get help to make decisions about your prescription drug coverage is at the end of this notice.

There are two important things you need to know about your current coverage and Medicare's prescription drug coverage:

1. Medicare prescription drug coverage became available in 2006 to everyone with Medicare. You can get this coverage if you join a Medicare Prescription Drug Plan or join a Medicare Advantage Plan (like an HMO or PPO) that offers prescription drug coverage. All Medicare drug plans provide at least a standard level of coverage set by Medicare. Some plans may also offer more coverage for a higher monthly premium.
2. Plumbers & Pipefitters Local #94 Health & Welfare Fund has determined that the prescription drug coverage offered by the Plumbers & Pipefitters Local #94 Health & Welfare Fund is, on average for all plan participants, expected to pay out as much as standard Medicare prescription drug coverage pays and is therefore considered Creditable Coverage. Because your existing coverage is Creditable Coverage, you can keep this coverage and not pay a higher premium (a penalty) if you later decide to join a Medicare drug plan.

When Can You Join A Medicare Drug Plan?

You can join a Medicare drug plan when you first become eligible for Medicare and each year from October 15th through December 7th.

However, if you lose your current creditable prescription drug coverage, through no fault of your own, you will also be eligible for a two (2) month Special Enrollment Period (SEP) to join a Medicare drug plan.



What Happens To Your Current Coverage If You Decide to Join A Medicare Drug Plan?

If you decide to join a Medicare drug plan, your current Plumbers & Pipefitters Local #94 Health & Welfare Fund coverage will be affected as follows:

Options Available to Retiree Members and/or their Dependents with Medicare:

- You can keep your current medical and prescription drug coverage with Plumbers and Pipefitters Local Union No. 94 Health and Welfare Fund, and you do not have to enroll in a Medicare prescription drug plan. You may, in the future, enroll in a Medicare prescription drug plan during Medicare's annual enrollment period (October 15 – December 7 of each year).
- You can enroll in a Medicare prescription drug plan. You cannot keep your current prescription drug coverage with Plumbers and Pipefitters Local Union No. 94 Health and Welfare Fund if you enroll in a Medicare prescription drug plan. Your medical coverage will continue. Your contribution for coverage will remain unchanged but you will no longer have prescription drug coverage under the Fund. **Be aware that the individual who elects Medicare D coverage will lose this coverage and that individual will be unable to come back into the prescription drug coverage under this Fund.**
- You can choose to drop your current medical and prescription drug coverage with Plumbers and Pipefitters Local Union No. 94 Health and Welfare Fund and enroll in a Medicare prescription drug plan. You should know that if you do this, you can never come back into the medical and prescription drug coverage under the Fund. **Be aware that the individual who drops medical and prescription drug coverage will lose this coverage and that individual will be unable to obtain coverage under this Fund.**

Options Available to Active Members and/or their Dependents with Medicare:

- You can keep your current medical and prescription drug coverage with Plumbers and Pipefitters Local Union No. 94 Health and Welfare Fund, and you do not have to enroll in a Medicare prescription drug plan. You may, in the future, enroll in a Medicare prescription drug plan during Medicare's annual enrollment (October 15 – December 7 of each year).
- You can enroll in a Medicare prescription drug plan. You can keep your current medical and prescription drug coverage with Plumbers and Pipefitters Local Union No. 94 Health and Welfare Fund. If you do this, Plumbers and Pipefitters Local Union No. 94 Health and Welfare Fund will pay primary to the Medicare prescription drug plan.

For all Retiree and Active Members and/or their Dependents with Medicare:

You can keep your current coverage with Plumbers and Pipefitters Local Union No. 94 Health and Welfare Fund and not enroll in a Medicare prescription drug plan. It is important that you compare your current coverage, including which drugs are covered, with the coverage and cost of the plans offering Medicare prescription drug coverage in your area before making any decision to enroll in a Medicare prescription drug plan. Retirees and/or their dependents with Medicare should perform this comparison as well before choosing to drop medical and prescription drug coverage with Plumbers and Pipefitters Local Union No. 94 Health and Welfare Fund.

The Plumbers and Pipefitters Local Union No. 94 Health and Welfare Fund currently provides prescription drug benefits through a retail pharmacy and mail order program. Under the Fund's program, you pay 10% coinsurance for generic drugs, 20% coinsurance for brand drugs with no generic substitute available, or 30% coinsurance for brand drugs when a generic is available. In addition, your current medical coverage under the Fund pays for other health expenses, in addition to prescription drugs.

When Will You Pay A Higher Premium (Penalty) To Join A Medicare Drug Plan?

You should also know that if you drop or lose your current coverage with Plumbers & Pipefitters Local #94 Health & Welfare Fund and don't join a Medicare drug plan within 63 continuous days after your current coverage ends, you may pay a higher premium (a penalty) to join a Medicare drug plan later.

If you go 63 continuous days or longer without creditable prescription drug coverage, your monthly premium may go up by at least 1% of the Medicare base beneficiary premium per month for every month that you did not have that coverage. For example, if you go nineteen months without creditable coverage, your premium may consistently be at least 19% higher than the Medicare base beneficiary premium. You may have to pay this higher premium (a penalty) as long as you have Medicare prescription drug coverage. In addition, you may have to wait until the following October to join.

For More Information About This Notice Or Your Current Prescription Drug Coverage...

Contact the Fund Office for further information. NOTE: You'll get this notice each year. You will also get it before the next period you can join a Medicare drug plan, and if this coverage through Plumbers & Pipefitters Local #94 Health & Welfare Fund changes. You also may request a copy of this notice at any time.

For More Information About Your Options Under Medicare Prescription Drug Coverage...

More detailed information about Medicare plans that offer prescription drug coverage is in the "Medicare & You" handbook. You'll get a copy of the handbook in the mail every year from Medicare. You may also be contacted directly by Medicare drug plans. For more information about Medicare prescription drug coverage:

- Visit www.medicare.gov
- Call your State Health Insurance Assistance Program (see the inside back cover of your copy of the Medicare & You" handbook for their telephone number) for personalized help
- Call 1-800-MEDICARE (1-800-633-4227). TTY users should call 1-877-486-2048.

If you have limited income and resources, extra help paying for Medicare prescription drug coverage is available. For information about this extra help, visit Social Security on the web at www.socialsecurity.gov, or call them at 1-800-772-1213 (TTY 1-800-325-0778).

REMEMBER: Keep this Creditable Coverage notice. If you decide to join one of the Medicare drug plans, you may be required to provide a copy of this notice when you join to show whether or not you have maintained creditable coverage and, therefore, whether or not you are required to pay a higher premium (a penalty).

Date:	September 21, 2013
Name of Entity/Sender:	Plumbers & Pipefitters Local #94 Health & Welfare Fund
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