

NORTHERN CALIFORNIA PIPE TRADES TRUST FUNDS FOR UA LOCAL 342

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October 2018

TO: All Medicare Eligible Participants and Dependents

RE: Important Notice from the Northern California Pipe Trades Health and Welfare Plan about Your Prescription Drug Coverage and Medicare

Note: You are not required to take any action. This Notice is required by law.

If you or any of your family members are now eligible or will become eligible for Medicare Part A and/or enrolled in Medicare Part B (which would make you eligible to enroll in a Medicare prescription drug plan), in the next 12 months, 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 Northern California Pipe Trades Health and Welfare Plan (“Plan”) and about your options under Medicare’s prescription drug coverage. This information can help you decide whether or not you want to join a different Medicare drug plan. Once you are Medicare eligible, you will need to consider your own individual circumstances and the amount you are required to pay for your prescription drug coverage. If you are considering joining a different Medicare drug plan, 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 three 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. **The Northern California Pipe Trades Health and Welfare Plan has determined that the prescription drug coverage offered by the Kaiser Plan option and Blue Shield Plan option are, 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.**
3. If you decide to join a different Medicare drug plan and drop your current Plan coverage (Kaiser or Blue Shield), be aware that you and your Dependents will not be able to get this coverage back.

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.

Medicare prescription drug plans work much like other insurance. You pay a monthly premium as well as a share of the cost of prescriptions. However, the premiums may vary based on the coverage you choose and your geographic location and some Medicare prescription drug plans have “coverage gaps”. This means that plans will pay benefits up to a certain amount, and then it will be up to you to pay the full cost for prescription drugs. Then, after you have paid a certain amount out-of-pocket, the plan will start to pay benefits again. Medicare has estimated that the national average premium for 2018 will be approximately \$33.50 per month for the standard plan. This premium is in addition to any premiums and/or deductibles you pay for your Medicare Part A (hospital insurance) and/or Part B (medical insurance) coverage. You can visit the Medicare website to find a Medicare drug plan near you <https://www.medicare.gov/find-a-plan/questions/home.aspx> or call 1-800 MEDICARE (1-800-633-4227).

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

If you are eligible for Medicare Part D and decide to join a different Medicare drug plan during the Medicare open enrollment period, your current Plan coverage (Kaiser or Blue Shield) will be affected. If you enroll in a different Medicare prescription drug plan, you and your eligible Dependents will not be eligible to receive all of your current health and prescription drug benefits. Unlike other Medicare drug plans, your current coverage covers other health expenses in addition to prescription drugs. As a result, the Board of Trustees and the advisors to the Plan have concluded that this Plan's prescription drug benefits you currently receive under this Plan provide equal or better coverage, at less cost to you, than the Medicare Part D Drug Program benefits. As long as you are eligible for a prescription drug plan that has coverage that is equal to or better than what is offered under Medicare Part D, you are considered to have "Creditable Coverage". Therefore, if at some later date you choose to enroll in Medicare Part D, you will not be charged a late penalty for delayed enrollment.

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 our Plan and don't join another Medicare drug plan within sixty-three (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 sixty-three (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 (19) 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, please contact our office.

NOTE: You will get this Notice annually as required by law. You will also receive it before the next enrollment period you can join a Medicare drug plan, and if the coverage through our Plan changes or terminates. You also may request a copy of this Notice at any time by contacting our office, or by visiting our website at www.ncptf.com.

For More Information About Your Options Under Medicare Prescription Drug Coverage, you would need to contact Medicare directly.

More detailed information about Medicare plans that offer prescription drug coverage is in the "Medicare & You" handbook. You 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 at <https://www.medicare.gov/Pubs/pdf/10050.pdf> for their telephone number) for personalized help or visit: <https://www.medicare.gov/contacts/#resources/ships>.
- Call 1-800-MEDICARE (800-633-4227). Participants who are deaf, hard of hearing or speech-impaired should call 877-486-2048.

Those with limited Income and Assets

If you have limited income and resources, extra help paying for Medicare prescription drug coverage is available. For more information about this extra help, visit Social Security on the web at www.socialsecurity.gov, or call them at 800-772-1213. Participants who are deaf, hard of hearing or speech-impaired should call 800-325-0778. While most Participants and Retirees may find that prescription drug benefits under the Plan are greater than the benefits Medicare Part D provides, those with limited income and assets may find they have better benefits through a Medicare Part D plan.

REMEMBER: Keep this Creditable Coverage Notice. If you decide to join one of the other 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: October 2018
Name of Entity/Sender: Northern California Pipe Trades Health and Welfare Plan
Contact: Eligibility Department
Address: 935 Detroit Avenue, Suite 242A
Concord, CA 94518-2501
Phone Number 925-356-8921, Extension 710

As in all cases and situations, the Plan reserves the right to modify benefits at any time, in accordance with applicable law. As required by law, this document is intended to serve as your Medicare Prescription Drug Notice of Creditable Coverage.