

## Notice of Creditable Prescription Drug Coverage IBEW Health and Welfare Trust of Southwest Washington

### **Important Information About Your Benefits and Medicare Prescription Drug Coverage**

**This Notice is for people with Medicare. If you or any of your eligible family members is now eligible for Medicare or will become eligible for Medicare in the next year, please read this notice carefully and keep it where you can find it.**

This Notice gives you information about:

- Medicare Prescription Drug Coverage (Medicare Part D) available to everyone with Medicare.
- How the IBEW Health and Welfare Trust of Southwest Washington's existing prescription drug benefits are, on average for all active and retired Plan participants and their dependents, at least as good as standard Medicare Prescription Drug Coverage.
- What your choices are and what happens to your coverage under the IBEW Health and Welfare Plan if you elect to enroll for Medicare Prescription Drug Coverage.
- At the end of this notice is information about where you can get help to make decisions about your prescription drug coverage.

Medicare prescription drug coverage became available in 2006 to everyone with Medicare through Medicare prescription drug plans and Medicare Advantage Plans that offer prescription coverage. All Medicare prescription drug plans provide at least a standard level of coverage set by Medicare. Some plans offer more coverage for a higher monthly premium.

Individuals can enroll in a Medicare Prescription Drug Plan when they first become eligible for Medicare and each year from November 15<sup>th</sup> through December 31<sup>st</sup>. Beneficiaries leaving employer/union coverage may also be eligible for a Special Enrollment Period to sign up for a Medicare Prescription Drug Plan.

### **Your Existing Coverage Is as Good as Standard Medicare Prescription Drug Coverage**

The IBEW Health and Welfare Trust Fund has determined that the Plan's existing prescription drug benefits from Sav-Rx are "creditable coverage," which means coverage under the IBEW Health and Welfare Plan is expected to pay at least as much in claims as standard Medicare Prescription Drug Coverage.

You do **not** need to enroll for Medicare Prescription Drug Coverage since you have coverage available under the IBEW Health and Welfare Sav-Rx Plan that is at least as good as the standard Medicare Prescription benefit. You will not have to pay any extra premium if you later decide to enroll in Medicare coverage.

## **Your Choices and the Consequences**

If you do not enroll for Medicare Prescription Drug Coverage, you will continue to receive benefits under the IBEW Health and Welfare Plan (as long as you are otherwise eligible to continue Plan coverage). Remember that the IBEW Health and Welfare Plan also provides medical and other benefits, in addition to prescription drug benefits. You will continue to receive all current benefits for which you are eligible.

### *Active Participants and Their Dependents*

Medicare eligible active participants and dependents who choose to enroll for Medicare Prescription Drug Coverage will continue to be eligible for Indemnity Plan Fund benefits. If you are enrolled in Group Health Cooperative, see the warning below. You will need to pay the Part D premium out of your own pocket. The Medicare Part D Prescription plan will pay benefits after Sav-Rx pays primary benefits.

### *Medicare-Eligible Retirees and/or Their Medicare-Eligible Dependents in the indemnity Plan*

**Medicare-eligible retirees or Medicare-eligible dependents of retirees who choose to enroll for Medicare Prescription Drug Coverage will no longer receive prescription drug benefits under the IBEW Health and Welfare Plan.** They will continue to be eligible to receive medical benefits under the IBEW Health and Welfare Plan. The monthly premium for coverage under the IBEW Health and Welfare Plan will not be reduced. You will also need to pay the Part D premium out of your own pocket.

If you enroll for Medicare Prescription Drug Coverage and later drop Medicare coverage, retiree prescription drug coverage under the IBEW Health and Welfare Plan cannot be reinstated unless you return to work and satisfy the eligibility requirements for active coverage.

### *Medicare-Eligible Retirees and/or Their Medicare-Eligible Dependents in Group Health Cooperative*

You should be aware that if you enroll for Medicare Part D, you and your dependents may be automatically dis-enrolled from the Group Health Cooperative Plan. If this happens, you will be re-enrolled in the Indemnity Plan.

## **What Happens if I Lose or Drop My IBEW Prescription Benefits and Do Not Enroll in a Medicare Part D Prescription Drug Plan?**

You should also know that if you drop or lose your coverage with IBEW Health and Welfare Trust of Southwest Washington and do not enroll in Medicare Prescription Drug Coverage after your current coverage ends, you may pay more to enroll in Medicare Prescription Drug Coverage later.

If you go 63 days or longer without prescription drug coverage that is at least as good as Medicare's Prescription Drug Coverage, your monthly premium will go up at least 1% per month for every month that you did not have that coverage. For example, if nineteen months pass with you not having coverage, your premium will always be at least 19% higher than what most other people pay. You will have to pay this higher premium as long as you have Medicare coverage. In addition, you may have to wait until the next November to enroll.

### **For More Information About Medicare Prescription Drug Coverage**

More detailed information about Medicare plans that offer prescription drug coverage will be available in the "**Medicare & You**" handbook. All persons enrolled in Medicare (a "beneficiary") will receive a copy of the handbook in the mail each year from Medicare. Medicare beneficiaries may also be contacted directly by Medicare approved prescription drug plans. For more information about Medicare prescription drug plans:

- Visit [www.medicare.gov](http://www.medicare.gov)
- Call your State Health Insurance Assistance Program (the telephone number will be included in the *Medicare & You 2006* handbook) for personalized help.
- Call 1-800-MEDICARE (1-800-633-4227). TTY users should call 1-877-486-2048.

**For people with limited resources**, extra help paying for a Medicare Prescription Drug Coverage is available. Information is available from the Social Security Administration online at [www.socialsecurity.gov](http://www.socialsecurity.gov) or call 1-800-772-1213 (TTY users should call 1-800-325-0778).

### **For More Information About this Notice or the IBEW Health and Welfare Plan**

If you have any questions about this Notice or would like more information about your benefits under the IBEW Health and Welfare Plan, please call the Fund Office.

Date: October 2006

Entity/Sender: IBEW Health and Welfare Trust of Southwest Washington

Contact: Mark A. Wheir, Associate Administrator

Address: PO Box 1747, Duvall WA 98019

Telephone Number: 1-800-460-2940

**NOTE:** You will receive this notice annually and at other times in the future (such as before the next period you can enroll in Medicare prescription drug coverage and if the coverage provided by IBEW Health and Welfare Trust of Southwest Washington changes). You also may request a copy of this Notice at any time.

*Benefits under the IBEW Health and Welfare Trust of Southwest Washington are not vested or guaranteed. Full details of the IBEW Health and Welfare Plan are contained in the documents that establish the Plan provisions. If there is a discrepancy between the wording here and the documents that establish the Plan, the document language will govern. The Trustees reserve the right to amend, modify, or discontinue all or part of the Plan at any time.*