

# **FOR LABOR-MANAGEMENT HEALTHCARE FUND (LMHF) MEMBERS WHO ARE OR WILL BECOME MEDICARE-ELIGIBLE IN 2017**

## **Important Notice About Your Prescription Drug Coverage and Medicare**

Please read this notice carefully and keep with your records. This notice has information about your current prescription drug coverage through the LMHF and about your options under Medicare's prescription drug coverage.

Some 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 enrolled in Medicare.
2. LMHF has determined that the prescription drug coverage offered 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.

### **When Can You Join A Medicare Drug Plan?**

- If you are Medicare-eligible and an Active Employee or the Spouse/Dependent of an Active Employee with medical/prescription benefits through LMHF you will continue to participate in your current Active Employee plan of benefits. All plan options through the LMHF are considered creditable. When you leave active employment, you will then have decisions to make about your participation in Medicare.
- You can join a Medicare drug plan when you first become eligible for Medicare and each year from October 15<sup>th</sup> to December 7<sup>th</sup>. 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?**

Because the LMHF plans are considered Creditable, you do not need to do anything. You can remain in the LMHF plan and you do not need to enroll in a Medicare Part D prescription plans.

However, if you decide to join a Medicare drug plan, your current LMHF coverage may be affected.

- If you are a retiree or the spouse/dependent of a retiree enrolled in a Medicare Advantage Plan through the LMHF, according to Federal regulations, your coverage through the LMHF will end if you elect to join a Medicare drug plan.
- If you are a retiree or the spouse/dependent of a retiree enrolled in a Commercial Retiree Plan through the LMHF, your coverage will continue; however, you may be paying more for dual prescription coverage when not necessary. Again, the LMHF plans are considered creditable – equal to or better than Medicare's drug plan – so you may be paying additional money for drugs already covered under your LMHF plan.

If you are considering joining a Medicare Part D drug plan outside of your LMHF Medicare Part D 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.

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

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.

If you drop or lose your current coverage with the LMHF 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 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 may also be contacted directly by Medicare drug plans.

More information about Medicare prescription drug coverage is available from the following:

- Visit [www.medicare.gov](http://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](http://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 Part D 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).

For more information about this notice, or your current prescription drug coverage, you may contact the LMHF Office at 716-601-7980.

**NOTE:** You will receive this notice annually and possibly at other times in the future, such as before the next period you can enroll in Medicare Part D or if your current coverage changes. You also may request a copy of this notice at any time.