



Connecticut Pipe Trades Health Fund

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October 17, 2016

Notice of Creditable Coverage

To: All Participants and eligible dependents who are potentially eligible for Medicare coverage.

Important Notice Connecticut Pipe Trades Health 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 the Connecticut Pipe Trades' Health Fund (the "Health Fund" or "Fund") and prescription drug coverage available for people with Medicare. It also explains the options you have for Medicare's prescription drug coverage and can help you decide whether or not you want to enroll in a Medicare prescription drug plan. If you are considering joining Medicare's prescription drug coverage, you should compare the Fund's coverage including which drugs are covered and at what costs, 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 prescription drug 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 enroll in a Medicare prescription drug plan or a Medicare Advantage Plan (like a HMO or PPO) that offers prescription drug coverage. All Medicare prescription 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 Health Fund has determined that the prescription drug coverage offered by the Connecticut Pipe Trades' Health Fund is, on average for all plan participants, expected to pay out at least as much as the standard Medicare prescription drug coverage will pay. This means that your Fund's prescription drug coverage is considered Creditable Coverage under Medicare's rules. Because your existing Fund prescription drug coverage is Creditable Coverage, you can keep your Fund prescription drug coverage and not pay a higher premium (a penalty) if you later decide to enroll in a Medicare prescription drug plan.

WHEN CAN YOU ENROLL IN A MEDICARE DRUG PLAN?

You can enroll in a Medicare prescription drug plan when you first become eligible for Medicare and each year from October 15th through December 7th. In certain limited situations, such as if you lose your current Health Fund coverage through no fault of your own, under Medicare's rules, you may be eligible for a two (2) month Special Enrollment Period (SEP) to enroll in a Medicare prescription drug plan.

However, because you have existing prescription drug coverage that, on average, is as good as standard Medicare prescription drug coverage, you can choose to maintain your current Health Fund prescription drug coverage and join a Medicare prescription drug plan later, generally, without any penalty.

WHAT HAPPENS TO YOUR CURRENT COVERAGE IF YOU DECIDE TO ENROLL IN A MEDICARE DRUG PLAN?

If you are eligible for, and enroll in, Medicare drug coverage while covered as an active participant you would establish unnecessary duplicate coverage. If you are eligible for Medicare while covered as a Retiree in the Connecticut Pipe Trades' Health Fund and you decide to enroll in a Medicare prescription drug plan, ALL of your Health Fund retiree coverage will be terminated. After it ends, you will not have an opportunity to get back into the Health Fund's Retiree Program.

Before you make a decision about enrolling in any Medicare prescription drug plan, you should compare your current Health Fund prescription drug coverage with the coverage of the plans offering Medicare prescription drug coverage in your area. You should consider and compare:

- which drugs will be covered,
- which retail and mail-order pharmacies you can use, and
- what the different costs are (monthly costs, co-payments, deductibles, doughnut holes, etc.).

Remember, your current Health Fund coverage pays for other health expenses, as well as prescription drugs. If you choose to enroll in a Medicare prescription drug plan, you will NOT be able to continue receiving the other benefits the Health Fund offers for medical, vision, hearing benefits and life insurance. If you are covered by a MAPD (Medicare Advantage Prescription Drug) it provides you with prescription drug coverage.

Here are your options using rates in effect as of January 1, 2017:

- If you enroll in a Medicare Part D prescription drug plan or a Medicare Advantage Plan, you will be maintaining unnecessary duplicate prescription drug coverage. If your spouse is eligible for Medicare, you and your spouse may make different choices.
- If you are nearing retirement, you should contact the Fund Office for information and the appropriate enrollment forms.
- If you enroll in a Medicare Part D prescription drug plan or a Medicare Advantage Plan:
 - You may **not** remain covered by the Health Fund's Retiree Program.
 - If you later change your mind and want to come back into the Connecticut Pipe Trades' Health Fund's Medicare Retiree Program, you will not be permitted to do so. Once you leave the Connecticut Pipe Trades' Health Fund's Retiree Program, there are no provisions for reinstatement. The exception to this general rule is when a retired member has the availability of insurance coverage under his spouse's employer's plan. Under these circumstances, a retired member, once enrolled in the Retiree Program, can elect to have this coverage suspended. When coverage under another employer's plan is no longer available, the Participant and spouse, if applicable, will be permitted to reinstate coverage in the Retiree Program.
 - If you currently extend coverage to your eligible spouse and/or covered children, coverage will be terminated for your dependents, as coverage will not be permitted for dependents without covering the retired plumber/pipefitter.
 - If your eligible spouse is eligible for Medicare and covered under the Health Fund's Retiree Program, you and your spouse may make different choices. Your spouse may enroll in Medicare Part D and you may stay in the Health Fund's Retiree Program. If that election is made, and your spouse elects to enroll in Medicare Part D prescription drug coverage, your spouse will be dropped from the Health Fund and will not be allowed to re-enroll in the Retiree Program.

As always, the Connecticut Pipe Trades' Health Fund Trustees will review periodically the monthly costs and adjust them as necessary. They also have the right to change or terminate coverage at any time to the extent permitted by law.

WHEN WILL YOU PAY A HIGHER PREMIUM (PENALTY) TO ENROLL IN A MEDICARE DRUG PLAN?

There is a rule you should be aware of if you drop or lose your Fund coverage (including your prescription drug coverage).

If you drop or lose your coverage with the Connecticut Pipe Trades' Health Fund and do not enroll in a Medicare prescription drug plan within 63 continuous days after your current coverage ends, you may pay a higher premium (a penalty) to enroll in a Medicare prescription drug plan later.

Specifically, if you go 63 continuous days or longer without prescription drug coverage that is at least as good as Medicare's prescription drug coverage (so-called Creditable Coverage), your monthly premium for Medicare's prescription drug coverage may go up by at least 1% of the Medicare base beneficiary premium (a national benchmark determined by the Centers for Medicare & Medicaid Services) per month for every month that you did not have that coverage. For example, if you go twelve (12) months without Creditable Coverage, your premium will always be at least 12% higher than the Medicare base beneficiary premium. You will 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 enroll.

FOR MORE INFORMATION ABOUT THIS NOTICE OR YOUR CURRENT PRESCRIPTION DRUG COVERAGE...

Contact the person listed below for further information about the Health Fund's prescription drug coverage. NOTE: You will receive this notice annually before the next period in which you can enroll in a Medicare prescription drug plan and if the Health Fund coverage changes so that it ceases to be Creditable. You also may request a copy of this notice at any time by contacting the Fund Office.

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, and you should receive a copy of the handbook in the mail every year from Medicare. You may also be contacted directly by Medicare prescription drug plans, and you will likely see a number of mailings and advertisements about Medicare prescription drug benefits. For more information about Medicare prescription drug coverage:

- Visit www.medicare.gov
- Call the Connecticut Program for Health Insurance Assistance, Outreach, Information and Referral, Counseling and Eligibility Screening (CHOICES) (1-800-994-9422 or see your copy of the "Medicare & You" handbook for telephone numbers for other states),
- Call 1-800-MEDICARE (1-800-633-4227).
TTY users should call 1-877-486-2048.

For people with limited income and resources, extra help paying for Medicare prescription drug coverage is available. Information about this extra help is available

from the Social Security Administration (SSA) online 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 enroll in a Medicare prescription drug plan, you may be required to provide a copy of this notice when you enroll 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 17, 2016

Name of Entity/Sender: Connecticut Pipe Trades' Health Fund

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