

# SOUTHERN CALIFORNIA PIPE TRADES HEALTH & WELFARE FUND

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## ACTIVE PLAN

### Notice of Creditable Prescription Drug Coverage

#### *Important Notice for those active participants or their eligible dependents who are eligible for 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 Trust and new prescription drug coverage available January 1, 2006 for people with Medicare. It also tells you where to find more information to help you make decisions about your prescription drug coverage.

- 1. Starting January 1, 2006, new Medicare prescription drug coverage will be available to everyone with Medicare.**
- 2. The Trust has determined that its Active prescription drug coverage is, on average for all plan participants, expected to pay out at least as much as the standard Medicare prescription drug coverage would pay.**
- 3. Read this notice carefully – it explains the options you have under Medicare prescription drug coverage, and can help you decide whether or not you want to enroll in one of the Medicare prescription drug plans available in your area.**

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You may have heard about Medicare's new prescription drug coverage, and wondered how it would affect you. We have determined that your prescription drug coverage with the Southern California Pipe Trades Health and Welfare Trust's Active Plan is, on average for all plan participants, expected to pay out at least as much as the standard Medicare prescription drug coverage would pay.

Starting January 1, 2006, prescription drug coverage will be available to everyone with Medicare through Medicare prescription drug plans. All such plans will provide at least a standard level of coverage set by Medicare. For 2006, that standard is 75% of approved costs between a \$250 deductible and \$2,250, plus at least 95% of costs once your out-of-pocket expenses under the Medicare prescription drug plan (excluding expenses for any other supplemental drug coverage) reach \$3,600. Some plans might also offer more coverage for a higher monthly premium.

Because your existing coverage is, on average, at least as good as standard Medicare prescription drug coverage, you will not be penalized if you do not enroll in a Medicare prescription drug plan on January 1, 2006 but decide to enroll in Medicare coverage some other time in the future.

***While you are covered under the Southern California Pipe Trades Health & Welfare Plan you have two options:***

- 1. Enroll now in a Medicare prescription drug plan to cover your prescription expenses after you have exhausted your Plan prescription drug benefits; or***
- 2. Rely only on the Health & Welfare Plan to cover your prescription expenses and reconsider enrolling in a Medicare Plan in future years or when you lose coverage under this Plan***

People with Medicare can enroll in a Medicare prescription drug plan during the enrollment period from November 15, 2005 through May 15, 2006 for coverage during the 2006 calendar year. Each year after that you will have the

opportunity to enroll in Medicare prescription drug because you have existing prescription drug coverage through the Trust that, on average is as good as Medicare coverage, you can choose to join a Medicare prescription drug plan at a later date without penalty for late enrollment.

You should compare your current coverage, including which drugs are covered, with the benefits and cost of the plans offering Medicare prescription drug coverage in your area. Prescription drug coverage for Medicare-eligible participants under the Southern California Pipe Trades Health and Welfare Trust's Active Plan will reimburse you for 100% of your prescription drug expenses up to a maximum of \$1,800 per year after you have satisfied the \$50 deductible.

***If you lose your Trust Coverage, you should consider immediately enrolling in a Medicare prescription drug plan.***

You should know that if you lose your coverage with the Trust and don't immediately enroll in a Medicare prescription drug plan, you may pay more to enroll in a Medicare prescription drug plan later. If after May 15, 2006, you go 63 days or longer without prescription drug coverage that's at least as good as Medicare's prescription drug coverage, then your monthly premium will go up at least 1% per month for ever month after May 15, 2006 that you did not have that coverage. For example, if you go nineteen months without coverage, your premium will always be at least 19% higher than what most people pay. You'll have to pay this higher premium as long as you have Medicare prescription drug coverage. In addition, you may have to wait until next November to enroll.

***For more information about this notice or your current prescription drug coverage.....***

Contact our office for further information at the address or phone number listed above.

You may receive this notice at other times in the future, such as before the next Medicare prescription drug coverage enrollment period, whenever the Trust coverage changes, or upon your request.

***For more information about your options under Medicare prescription drug coverage....***

More detailed information about Medicare plans that offer prescription drug coverage will be available by October 2005 in the "Medicare & You 2006" handbook, which will be mailed to you by Medicare. You may also be contacted directly by Medicare prescription drug plans. You can also get more information about Medicare prescription drug plans from these places:

- Visit [www.medicare.gov](http://www.medicare.gov) for personalized help,
- Call your State Health Insurance Assistance Program (see your copy of the Medicare & You handbook for their telephone number)
- 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 a Medicare prescription drug plan is available. Information about this extra help is available from the Social Security Administration (SSA). For more information about this extra help, visit SSA online at [www.socialsecurity.gov](http://www.socialsecurity.gov), or call them at 1-800-772-1213 (TTY 1-800-325-0778)

***Remember!*** Keep this notice. If you enroll in one of the new plans approved by Medicare which offer prescription drug coverage after May 15, 2006, you may need to give a copy of this notice when you join to show that you are not required to pay a higher premium amount.