

# SOUTHERN CALIFORNIA PIPE TRADES HEALTH & WELFARE FUND

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## PENSIONERS & SURVIVING SPOUSES PLAN

### ANNUAL MEDICARE PART-D NOTICE

**Attention: All Pensioners and Surviving Spouses Who Are at or Near Medicare Eligibility**

#### *Important Notice from Southern California Pipe Trades Health & Welfare Fund About Your Prescription Drug Coverage and Medicare*

Please read this notice carefully and keep it where you can find it. This notice has important information about your current prescription drug coverage and about your options under Medicare's prescription drug coverage.

Medicare Part D plans are available to every person who is eligible for Medicare. All such plans will provide at least a standard level of coverage set by Medicare and some plans may offer more coverage for a higher monthly premium. *Note that the Medicare Part D prescription drug program is NOT a benefit provided through the Southern California Pipe Trades Health & Welfare Fund.* It is provided through Medicare and is marketed by various Medicare-approved "Prescription Drug Providers" (PDPs). You can enroll in a Medicare Part D prescription drug program when you first become eligible for Medicare and from November 15<sup>th</sup> through December 31<sup>st</sup> of each year. You should compare the benefits (including which drugs are covered) and costs of the Part D plans available in your area. The Fund cannot provide you with a comparison of such available plans, but we urge you to carefully review any descriptions you may obtain.

The Fund has determined that the prescription drug coverage is "non-creditable coverage" for 2011. This means that the prescription drug benefits provided under the Plan are, on average for all plan participants, not expected to pay out as much as a standard Medicare Part D prescription drug plan. Thus your prescription drug benefit of \$600 maximum per year is generally not as good as the standard Part D coverage. This is important because if you are Medicare-eligible (and do not have any prescription drug coverage under another plan which is creditable coverage), and if you do not enroll in a Part D plan when you first become eligible for Medicare, then you will be charged a late enrollment penalty if you subsequently sign up with a Part D plan.

Specifically, you will be charged a permanent Part D premium surcharge of 1% for every month you delay enrollment, starting with the end of the last month that you were first eligible to join a Medicare drug plan but didn't join (if such period of non-coverage exceeds 62 days). For example, if you go nineteen months without credible coverage, your premium may consistently be at least 19% higher than the Medicare base beneficiary premium. You may have to pay this higher premium (penalty) as long as you have Medicare prescription coverage. Also note that you may have to wait for the next regular annual Part D enrollment period, which will be November 15<sup>th</sup> through December 31<sup>st</sup> for coverage in the following calendar year. However, since the Southern California Pipe Trades Health & Welfare Fund is a plan sponsored by Unions and Employers, if you lose coverage you may be eligible for a two (2) month special enrollment period to join a Medicare drug plan. Although this special enrollment period may permit you to enroll in a Medicare Part D plan sooner, you will still have to pay a higher premium for any delay in enrolling beyond the initial 62-day period of non-creditable coverage.

Because your coverage is non-creditable, you have decisions to make about Medicare prescription drug coverage. When you make your decision you should compare your current coverage, including what drugs are covered, with the coverage and cost of the plans offering Medicare Part D prescription drug coverage in your area; and you should consider the surcharge, explained above, that you will be charged if you delay enrollment in a Medicare Part D plan.

If you decide to join a Medicare Part D prescription drug program your prescription drug coverage under the SCPT Health & Welfare Plan will not be affected. This Plan will coordinate its prescription drug benefits with your Medicare Part D drug plan benefits.

**For more information on Medicare Part D:**

More detail will be in the handbook “Medicare & You” that will be mailed to you by Medicare in October of each year. You may also be contacted directly by Medicare-approved Part D providers. At any time you can visit <http://www.medicare.gov/> or call 1-800-MEDICAR (1-800-633-4227). TeleTYpewriter (TTY) users should call 1-877-486-2048.

Every state has a Health Insurance Assistance Program to help Medicare beneficiaries and their families with their health insurance choices and with problems that might arise. In California it is called the “Health Insurance Counseling and Advocacy Program” (HICAP) and can be reached at 1-800-434-0222. Further assistance is available from the California Department of Aging line at 1-800-510-2020. To see the Part D information collected by the California program, visit <http://www.aging.ca.gov/> and click the button for “Medicare for Partners”. Contact information for similar programs in other states will be listed in your “Medicare & You” handbook.

For people with limited income and resources, extra help paying for a Medicare prescription drug plan is available. For more information about this extra help, visit the Social Security Administration website at <http://www.socialsecurity.gov/> or call them at 1-800-772-1213. TTY users should call 1-800-325-0778.

**Date:** October 31, 2010  
**Plan Sponsor:** Southern California Pipe Trades Health & Welfare Fund  
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