

# ABOUT YOUR PRESCRIPTION DRUG COVERAGE AND MEDICARE

## ASEA Health Benefits Trust

Address: 111 W. Cataldo, Suite 220, Spokane, WA 99201 • Phone: 866-553-8206 (toll-free); 509-328-0300 • Fax: 509-328-8623  
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### Introduction

The Medicare Modernization Act (MMA) added a prescription drug benefit to Medicare, effective January 1, 2006. The MMA requires that the ASEA/AFSCME Local 52 Health Benefits Trust (the Trust) provide each Medicare beneficiary participating in any of the Plans offered through the Trust notice of whether the prescription drug plan you are currently enrolled in through the Trust is “creditable coverage” for purposes of enrollment in the Medicare Part D Plan. Not every participant in the Trust is a Medicare beneficiary, so in evaluating the following Notices you should consider whether you, or any family member covered through the Trust, is a Medicare beneficiary when evaluating whether the following Notices affect you or your covered family members.

The Trust offers the member the opportunity to elect different levels of coverage depending upon the member’s marital status and/or availability of other coverage for the member’s spouse and dependent children. Plan A (Full Plan for Employees and Family) and Plan B (Full Plan for Employees Only) constitute “creditable coverage” as described in the following notice entitled Beneficiary Creditable Coverage Disclosure Notice. Plan C (Supplemental Plan for Employees and Families with Other Coverage) and Plan D (Low Option Plan for Employees and Families) constitute “non-creditable coverage” as described in the following notice entitled Beneficiary Non-Creditable Coverage Disclosure Notice. If you or a covered family member is a Medicare beneficiary, select and read the Notice below which applies to the Plan under which you are currently covered. Also, if you or a covered family member is a Medicare beneficiary and you change your Plan election during open enrollment or due to a qualifying change-in-status, you should evaluate your new Plan election choice as “creditable coverage” or “non-creditable coverage” as described in the following applicable Notices.

### CREDITABLE COVERAGE NOTICE FOR PLANS A & B

#### Important Notice from ASEA/AFSCME Local 52 Health Benefits Trust About Your Prescription Drug Coverage and Medicare Beneficiary Creditable Coverage Disclosure Notice Plan A (Full Plan for Employees and Family) Plan B (Full Plan for Employees only)

Please read this notice carefully and keep it where you can find it. This notice has information about your current prescription drug coverage with ASEA/AFSCME Local 52 Health Benefits Trust and about your options under Medicare’s prescription drug coverage. This information can help you decide whether or not you want to join a Medicare drug plan. If you are considering joining, 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.

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 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 join a Medicare Prescription Drug Plan or join a Medicare Advantage Plan (like an HMO or PPO) that offers prescription drug coverage. All Medicare 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. ASEA/AFSCME Local 52 Health Benefits Trust has determined that the prescription drug coverage offered by the ASEA/AFSCME Local 52 Health Benefits Trust Plan A and Plan B are, 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. 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.

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

You can join a Medicare drug plan when you first become eligible for Medicare and each year from October 15th to December 7th.

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?

If you decide to join a Medicare drug plan, your current ASEA/AFSCME Local 52 Health Benefits Trust coverage will not be affected. You can keep this coverage if Part D is elected and this plan will coordinate with Part D coverage. Because your existing coverage is on an average as good as Medicare prescription drug coverage, you can keep this coverage and not pay extra if you later decide to enroll in Medicare prescription drug coverage.

See Pages 7-9 of the CMS Disclosure of Creditable Coverage to Medicare Part D Eligible Individuals Guidance (available at <http://www.cms.hhs.gov/CreditableCoverage/>), which outlines the prescription drug plan provisions and options that Medicare eligible individuals may have available to them when they become eligible for Medicare Part D.

If you decide to join a Medicare drug plan and drop your current ASEA/AFSCME Local 52 Health Benefits Trust coverage, be aware that you and your dependents may not be able to get this coverage back.

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

You should also know that if you drop or lose your current coverage with ASEA/AFSCME Local 52 Health Benefits Trust 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 This Notice Or Your Current Prescription Drug Coverage

Contact the person listed below for further information. NOTE: You'll get this notice each year. You will also get it before the next period you can join a Medicare drug plan, and if this coverage through ASEA/AFSCME Local 52 Health Benefits Trust changes. You also may request a copy of this notice at any time.

## 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'll get a copy of the handbook in the mail every year from Medicare. You may also be contacted directly by Medicare drug plans. For more information about Medicare prescription drug coverage:

- Visit [www.medicare.gov](http://www.medicare.gov)
- Call your State Health Insurance Assistance Program for personalized help. See the inside back cover of your copy of the "Medicare & You" handbook for the telephone number.
- 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 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).**

Date: April 30, 2017

Name of Entity/Sender: ASEA/AFSCME Local 52 Health Benefits Trust

Contact: Linda Devine, Client Services Manager

Address: 111 W. Cataldo, Suite #220, Spokane, WA 99201

Phone Number: 1-866-553-8206 (toll free) or (509) 321-0519 (direct)

(End Creditable Coverage Notice for Plans A and B)

## NON-CREDITABLE COVERAGE NOTICE FOR PLANS C & D

### Important Notice from ASEA/AFSCME Local 52 Health Benefits Trust About Your Prescription Drug Coverage and Medicare Beneficiary Non-Creditable Coverage Disclosure Notice Plan C (Supplemental Plan for Employees and Families with Other Coverage) Plan D (Low Option Plan for Employees and Families)

Please read this notice carefully and keep it where you can find it. This notice has information about your current prescription drug coverage with ASEA/AFSCME Local 52 Health Benefits Trust and about your options under Medicare's prescription drug coverage. This information can help you decide whether or not you want to join a Medicare drug plan. If you are considering joining, 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. Information about where you can get help to make decisions about your prescription drug coverage is at the end of this notice.

There are three 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 with Medicare. You can get this coverage if you join a Medicare Prescription Drug Plan or join a Medicare Advantage Plan (like an HMO or PPO) that offers prescription drug coverage. All Medicare 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. ASEA/AFSCME Local 52 Health Benefits Trust has determined that the prescription drug coverage offered by the ASEA/AFSCME Local 52 Health Benefits Trust Plan C and Plan D are, on average for all plan participants, NOT expected to pay out as much as standard Medicare prescription drug coverage pays. Therefore, your coverage is considered **Non-Creditable Coverage. This is important because, most likely, you will get more help with your drug costs if you join a Medicare drug plan, than if you only have prescription drug coverage from the ASEA/AFSCME Local 52 Health Benefits Trust. This also is important because it may mean that you may pay a higher premium (a penalty) if you do not join a Medicare drug plan when you first become eligible.**
3. You can keep your current coverage from ASEA/AFSCME Local 52 Health Benefits Trust. However, because your coverage is Non-Creditable, you have decisions to make about Medicare prescription drug coverage that may affect how much you pay for that coverage, depending on if and when you join a drug plan. 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 prescription drug coverage in your area. Read this notice carefully - it explains your options.

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

You can join a Medicare drug plan when you first become eligible for Medicare and each year from October 15th to December 7th.

If you decide to drop your current coverage with ASEA/AFSCME Local 52 Health Benefits Trust, since it is employer/union sponsored group coverage, you will be eligible for a two (2) month Special Enrollment Period (SEP) to join a Medicare drug plan; however you also may pay a higher premium (a penalty) because you did not have creditable coverage under ASEA/AFSCME Local 52 Health Benefits Trust.

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

Since the coverage under ASEA/AFSCME Local 52 Health Benefits Trust is not creditable, depending on how long you go without creditable prescription drug coverage, you may pay a penalty to join a Medicare drug plan. Starting with the end of the last month that you were first eligible to join a Medicare drug plan but didn't join, if you go 63 continuous days or longer without prescription drug coverage that's creditable, 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 (penalty) as long as you have Medicare prescription drug coverage. In addition, you may have to wait until the following November to join.

### **What Happens To Your Current Coverage If You Decide to Join A Medicare Drug Plan?**

If you decide to join a Medicare drug plan, your current ASEA/AFSCME Local 52 Health Benefits Trust coverage will not be affected. Your current coverage pays for other health expenses, in addition to prescription drug benefits. You will still be eligible to receive all of your current health and prescription drug benefits if you choose to enroll in a Medicare prescription plan.

See Pages 7-9 of the CMS Disclosure of Creditable Coverage to Medicare Part D Eligible Individuals Guidance (available at <http://www.cms.hhs.gov/CreditableCoverage/>), which outlines the prescription drug plan provisions and options that Medicare eligible individuals may have available to them when they become eligible for Medicare Part D.

If you decide to join a Medicare drug plan and drop your current ASEA/AFSCME Local 52 Health Benefits Trust coverage, be aware that you and your dependents may not be able to get this coverage back.

### **For More Information About This Notice Or Your Current Prescription Drug Coverage**

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NOTE: You'll get this notice each year. You will also get it before the next period you can join a Medicare drug plan, and if this coverage through ASEA/AFSCME Local 52 Health Benefits Trust changes. You also may request a copy of this notice at any time.

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