

# United Food and Commercial Workers Unions and Employers Midwest Health Benefits Fund

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## Notice of Prescription Drug Creditable Coverage

### Important Information about Your Prescription Drug Benefits and Medicare Prescription Drug Coverage

This Notice has information about:

- Medicare Prescription Drug Coverage (Medicare Part D) available to everyone with Medicare starting January 1, 2006.
- How the UFCW Health Benefits Plan's existing prescription drug benefits are, on average for all active Plan participants, at least as good as standard Medicare Prescription Drug Coverage.
- What your choices are and what happens to your coverage under the Health Benefits Plan if you elect Medicare Prescription Drug Coverage.
- Where to find more information to help you make decisions about your prescription drug coverage.

The Health Benefits Plan provides prescription drug coverage for all eligible active participants. If you are eligible for Medicare, you do not need to join a Medicare prescription drug plan since you have coverage available under the Health Benefits Plan.

Please read this notice carefully and keep it filed in a safe place for future reference. This notice explains the options you have under Medicare Prescription Drug Coverage and can help you decide whether or not to enroll if you are eligible.

### Medicare Prescription Drug Coverage

Medicare Prescription Drug Coverage is available to anyone entitled to Medicare. Medicare Prescription Drug Coverage is insurance provided by private companies that have been approved by Medicare. If eligible, you can get Medicare Prescription Drug Coverage through Medicare Advantage Plans (like an HMO or PPO) or Medicare Prescription Drug Plans. Most people must pay a monthly premium for Medicare Prescription Drug Coverage. For people with limited income and resources, extra help paying for Medicare Prescription Drug Coverage is available.

All Medicare plans provide at least a standard level of coverage as set by Medicare. Some Medicare plans offer better coverage for a higher monthly premium.

If you are entitled to Medicare Part A or enrolled in Medicare Part B, you can enroll for Medicare Prescription Drug Coverage when you first become eligible for Medicare and each year from November 15<sup>th</sup> through December 31<sup>st</sup>. If you lose or drop prescription drug coverage under the UFCW Health Benefits Plan, you may be eligible for a Special Enrollment Period to sign up for Medicare Prescription Drug Coverage. You can find out more detailed information about Special Enrollment Periods in the "Medicare & You" booklet.

### Existing Coverage Is as Good as Standard Medicare Prescription Drug Coverage

The Health Benefits Plan has determined that your existing, active Plan prescription drug benefits are "creditable coverage," which means the Health Benefits Fund's coverage is expected to pay, on average, as much in claims for all eligible participants (or more in some cases) as standard Medicare Prescription Drug Coverage.

Because your current prescription drug benefits with the Health Benefits Plan are as good, on average, as Medicare standard coverage, you can stay covered under the Health Benefits Plan and join a Medicare plan later and not be subject to the higher premium penalty.

**Keep this Notice.** If you enroll for Medicare Prescription Drug Coverage, you will need a copy of this Notice when you enroll. This Notice verifies that you have creditable prescription drug coverage and that you are not required to pay the higher premium.

### Your Choices and the Consequences

If you are eligible for Medicare, you should compare your current coverage, including which medications are covered, with the coverage and cost of the Medicare plans in your area.

If you are eligible and do not enroll for Medicare Prescription Drug Coverage, you will continue to receive prescription drug benefits under the Health Benefits Plan, as long as you are otherwise eligible to continue Plan coverage. Remember that the Health Benefits Plan also covers medical benefits, in addition to prescription drug benefits. You will continue to be eligible to receive all current benefits.

If you are eligible and enroll for Medicare Prescription Drug Coverage, your coverage under the Health Benefits Plan will be coordinated with your Medicare Prescription Drug Coverage. Remember that for most people, there is a monthly premium for Medicare Prescription Drug Coverage.

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Note to Medicare-Eligible Individuals: If you are entitled to Medicare and drop or lose your coverage with the Health Benefits Plan and do not enroll for Medicare Prescription Drug Coverage after your current coverage ends, you may pay more for Medicare Prescription Drug Coverage later. If you go 63 days or longer without prescription drug coverage that is at least as good as Medicare Prescription Drug Coverage, your monthly premium for Medicare Prescription Drug Coverage will increase. The increase will be at least 1% per month for every month that you were eligible but did not have coverage. You will have to pay this higher premium as long as you have Medicare Prescription Drug Coverage. For example, if you go 19 months without coverage, your monthly premium will always be at least 19% higher than what most other people pay. In addition, you may have to wait until the next open enrollment period (November 15 – December 31 each year) to enroll.

### **For More Information about Medicare Prescription Drug Coverage**

More detailed information about Medicare plans that offer Prescription Drug Coverage is available in the “Medicare & You” handbook. You may also be contacted directly by Medicare Prescription Drug Plans. You can also get more information about Medicare Prescription Drug Plans from the following resources:

- Visit [medicare.gov](http://medicare.gov).
- Call your State Health Insurance Assistance Program (the telephone number will be included in the Medicare & You handbook).
- Call 1-800-MEDICARE (1-800-633-4227). TTY users should call 1-877-486-2048.

For people with limited resources, extra help paying for Medicare Prescription Drug Coverage is available. To get more information about this extra help:

- Visit [socialsecurity.gov](http://socialsecurity.gov).
- Call 1-800-772-1213 (TTY users should call 1-800-325-0778).

### **For More Information about this Notice or Health Benefits Plan Prescription Drug Benefits**

If you have any questions about this notice or would like more information about your prescription drug benefits under the Health Benefits Plan, please call the Benefits Fund Office at 1-847-384-7000 or 1-800-621-5133.

In the future, the Health Benefits Plan will periodically send you an updated copy of this notice for your records. You also may request a copy of this notice at any time by contacting the Benefits Fund Office.

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*Benefits under the Health Benefits Plan are not vested or guaranteed. Full details of the Health Benefits Plan are contained in the documents that establish the Plan provisions. If there is a discrepancy between the wording here and the documents that establish the Plan, the document language will govern. The Trustees reserve the right to amend, modify, or discontinue all or part of the Plan at any time.*

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Notice Regarding Your Prescription Drug Benefits and  
Medicare Prescription Drug Coverage

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