

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

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## Notice of Prescription Drug Coverage that is NOT Creditable Coverage

### Important Information about Your Prescription Drug Benefits under Plan Classification D5-Tier B 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 participants, NOT as good as standard Medicare Prescription Drug Coverage.
- What your choices are and what happens to your coverage under the Health Plan if you elect Medicare Prescription Drug Coverage.
- Where to find more information to help you make decisions about your prescription drug coverage.

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.

When you become entitled to Medicare Part A, you can enroll in Medicare Prescription Drug Coverage. You can also enroll each year from November 15<sup>th</sup> through December 31<sup>st</sup>. If you have creditable coverage elsewhere and you lose or drop that coverage, you may be eligible for a Special Enrollment Period to enroll in Medicare Prescription Drug Coverage. You can find out more detailed information about Special Enrollment Periods in the "Medicare & You" booklet.

### Existing Coverage Is NOT as Good as Standard Medicare Prescription Drug Coverage

The Health Plan has determined that your existing prescription drug benefits are **not** expected to pay, on average, as much as standard Medicare Prescription Drug Coverage. This means that the Health Plan's coverage is **not** "creditable coverage" under Medicare. This is important for two reasons:

- 1) Enrolling in Medicare Prescription Drug Coverage when you become eligible means that, for most people, there will be more assistance with prescription drug costs than what is available only under the Health Plan's prescription drug benefit.
- (2) If you do not enroll for Medicare Prescription Drug Coverage when you first become eligible, you will have to pay a penalty (unless you have other creditable coverage such as through your spouse's coverage) in the form of a higher Medicare premium if you decide to enroll at a later time.

### 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 Plan, as long as you are otherwise eligible to continue Plan coverage. Remember that the Health 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 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.

Keep in mind:

If you do not enroll for Medicare Prescription Drug Coverage and you do not have other creditable coverage (such as through your spouse's coverage), you will pay more for Medicare Prescription Drug Coverage if you enroll at a later date.

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

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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.

If you do not enroll for Medicare Prescription Drug Coverage when you are first eligible, you may have to wait to enroll. Generally, you can enroll only between November 15 and December 31 of each year. This may mean the number of months you have to wait for coverage will be longer, which could make your premium higher.

Issues to consider when you evaluate your Medicare Prescription Drug Coverage options:

**Premiums.** There are monthly premiums that must be paid for Medicare Prescription Drug Coverage. For many plans, the premium is the amount approved by Medicare. However, companies that offer better benefits than standard Medicare coverage usually require higher monthly premiums. The premium amount depends on the type of coverage that you choose. Medicare premiums can be deducted automatically from monthly Social Security benefits or the company can bill you. For people with limited income and assets, help paying for Medicare Prescription Drug Coverage is available.

**Covered Medications.** Each Medicare plan has a government-approved list of medications it covers (called a formulary or preferred drug list). Not all prescription drugs are covered by all plans. If the medications you are taking are not included on the list, you could be paying more for these medications.

**Participating Pharmacies.** Each Medicare plan has a list of pharmacies that participate in its plan (called participating pharmacies). When you go to a participating pharmacy to have your prescription filled, you receive your prescription at a discounted price. Your current retail pharmacy may not be included under every plan.

**Cost-Sharing.** Each Medicare plan specifies the deductible, co-payment or co-insurance, and other costs (such as premiums) that you will be responsible for paying. Your costs under each plan may be different.

### 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 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 Plan, please call the Benefits Fund Office at 1-847-384-7000 or 1-800-621-5133.

In the future, the Health 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 Plan are not vested or guaranteed. Full details of the Health 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.*

Notice Regarding Your Prescription Drug Benefits and Medicare Prescription Drug Coverage

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