

U.A. LOCAL 350

HEALTH, WELFARE AND VACATION TRUST FUND

P.O. Box 1037 • Sparks, Nevada 89432 • 1110 Greg Street • Sparks, Nevada 89431
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Date of Notice: **August 2022**

To: **All Participants**

From: **Board of Trustees, U.A. Local 350 Health, Welfare and Vacation Plan**

Re: **2022 MEDICARE PART D CREDITABLE COVERAGE NOTICE**

Important Notice About Your Prescription Drug Coverage and Medicare

This Notice is for participants with Medicare. If you or any of your eligible family members are now eligible for Medicare or will become eligible for Medicare in the next 12 months, please read this notice carefully and keep it where you can find it. If, however, you and/ or your family members are not currently eligible for Medicare and will not be eligible during 2022 you may disregard this Notice.

This Notice has information about your current prescription drug coverage with the U.A. Local 350 Health, Welfare and Vacation Plan and about your options under Medicare's prescription drug coverage. This information can help you decide whether or not you want to enroll in a Medicare drug plan. If you are considering joining, you should compare your current coverage, including which drugs are covered, with the coverage and cost of the Plan offering Medicare prescription drug coverage in your area. Information on 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 back in 2006 to everyone with Medicare. You can obtain 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. The Board of Trustees of the U.A. Local 350 Health, Welfare and Vacation Plan has determined that the prescription drug coverage offered by the Health Plan is, on average for all Plan Participants, expected to pay out as much as the standard Medicare prescription drug coverage pays and is therefore considered "**Creditable Coverage.**"

Because your existing prescription drug coverage is, on average, for all Plan Participants, at least as good as standard Medicare prescription drug coverage, you can keep your prescription drug coverage under the U.A. Local 350 Health, Welfare and Vacation Plan and you do not need to enroll in a Medicare prescription drug program. You will not have to pay any extra premium (a penalty) if you later decide to join a Medicare drug plan.

When Can You Join A Medicare Drug Plan?

Initial Enrollment Period. Individuals can enroll in a Medicare Part D prescription drug plan when they first become eligible for Medicare.

Open Enrollment Period. You can also join a Medicare Part D prescription drug plan each year thereafter from October 15th through December 7th.

Special Enrollment Period. If, however, 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?

YOUR CHOICES:

- 1. You can keep your current prescription drug coverage with the U.A. Local 350 Health, Welfare and Vacation Plan and you do not have to enroll in a Medicare prescription drug plan.**
 - You may in the future enroll in a Medicare prescription drug plan during Medicare's annual enrollment period (October 15th through December 7th of each year). You will not be charged any penalty if you later decide to purchase a Medicare prescription drug plan.

- 2. You can keep your current prescription drug coverage with U.A. Local 350 Health, Welfare and Vacation Plan and enroll in ONE Medicare prescription drug plan as a supplement to the coverage under the Plan. (You will have to pay a premium to enroll).**
 - If you do this, the U.A. Local 350 Health, Welfare and Vacation Plan will pay primary to Medicare for you and any dependent(s) that you cover, even if you or your dependent also has Medicare. However, a dependent spouse's plan will pay primary if the dependent spouse is covered under their own plan. You will need to pay the part D premium out of your own pocket. You should determine whether the amount of this Part D Premium is worth the cost based on the likely benefits that you would receive. For more information on the monthly Part D premium being charged, please visit <http://www.medicare.gov/part-d/costs/premiums/drug-plan-premiums.html>.
 - Your current coverage with U.A. Local 350 Health, Welfare, and Vacation Plan pays for other health expenses in addition to your prescription drug. If you enroll in one Medicare prescription drug plan, you and your eligible dependents will still be eligible to receive all of your current health and prescription drug benefits.
 - If you do decide to join a Medicare prescription drug plan and drop your current coverage with the Plan, be aware that you and your dependents will not be able to get this coverage back.

What Will Happen If You Lose or Drop Coverage With the U.A. Local 350 Health, Welfare and Vacation Plan And Do Not Enroll In a Medicare Drug Plan?

You should also know that if you drop or lose your current coverage with the U.A. Local 350 Health, Welfare and Vacation Plan and do not enroll in a Medicare prescription drug plan within 63 continuous days after your current coverage ends, you may pay a higher premium (a penalty) to enroll in 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 national base beneficiary premium (\$33.37 in 2022) 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.

The monthly premium is rounded to the nearest \$.10 and added to your monthly Part D premium. Keep in mind, the national base beneficiary premium may change each year, so your penalty amount may also change each year. In addition, you may have to wait until the following October to enroll.

Example

Mrs. Martinez has Medicare, and her first chance to get Medicare drug coverage (during her Initial Enrollment Period) ended on July 31, 2018. She doesn't have prescription drug coverage from any other source. She didn't join a Medicare drug plan by July 31, 2018, and instead joined during the Open Enrollment Period that ended December 7, 2020. Her Medicare drug coverage started January 1, 2021.

Since Mrs. Martinez was without creditable prescription drug coverage from August 2018–December 2020, her penalty in 2022 is 29% (1% for each of the 29 months) of \$33.37 (the national base beneficiary premium for 2022) or \$9.68 each month. Since the monthly penalty is always rounded to the nearest \$0.10, she will pay \$9.70 each month in addition to her plan's monthly premium.

Here's the math:

.29 (29% penalty) × **\$33.37** (2022 base beneficiary premium) = **\$9.68**

\$9.68 rounded to the nearest \$0.10 = **\$9.70**

\$9.70 = Mrs. Martinez's monthly late enrollment penalty for 2022

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

For further information, contact the U.A. Local 350 Health, Welfare and Vacation Trust Fund Office, P.O. Box 11337, Reno, NV 89510; phone 775-826-7200.

NOTE: You will receive this notice annually. You will also receive this notice before the next period you can join a Medicare prescription drug plan, and if the coverage provided by this Plan changes or terminates. You also may request a copy of this Notice at any time.

Creditable Prescription Drug Coverage

The UA Local 350 Health, Welfare, and Vacation Plan provides prescription drug coverage through contract with Optum RX, Inc. For more information about prescription drug coverage, visit www.optumrx.com or call 1-800-797-9791.

	<u>Contract Provider</u>	<u>Non-Contract Provider</u>
<u>Generic</u>	Retail (\$10 copay)/Mail order (\$10 per month)	Retail (After \$10 copay plus non-covered charge)/ Mail Order (Not Covered)
<u>Brand</u>	Retail (\$10 copay)/Mail order (\$10 per month)	Retail (After \$10 copay plus non-covered charge)/ Mail Order (Not Covered)
<u>Specialty</u>	Retail (\$10 copay)/Mail order (\$10 per month) Requires Preauthorization.	Not Covered
<u>Deductible</u>	\$10 Per Prescription Drug/No Annual Limit.	

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. All persons enrolled in Medicare (a “beneficiary”) will receive the handbook in the mail each year from Medicare. You may also be contacted directly by Medicare drug plans.

For more information about Medicare prescription drug plans:

- **Visit www.medicare.gov.** You can log onto (or create) a secure Medicare account at www.medicare.gov/account/login/. Medicare.gov also has a Life Chat available 24 hours a day, 7 days a week except federal holidays.
- **Call your State Health Insurance Assistance Program** (see the inside back cover of the “Medicare & You” Handbook for the telephone number) for personalized help or visit: <https://www.medicare.gov/contacts/#resources/ships>.
- 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) online at 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 enroll in one of the new Medicare approved prescription 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:	August 2022
Name of Entity/ Sender:	U.A. Local 350 Health, Welfare and Vacation Trust Fund
Contact/Position/Office:	James G. Mace, Fund Manager Benefit Department
Address:	445 Apple Street, Ste. 109, Reno, Nevada 89502
Phone:	(775) 826-7200

As in all cases and situations, U.A. Local 350 Health, Welfare and Vacation Plan reserves the right to modify benefits at any time, in accordance with applicable law. As required by law, this document is intended to serve as your Medicare Notice of Creditable Coverage.