



# AUTOMOBILE MECHANICS' LOCAL 701 WELFARE FUND

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## **Important Notice from Automobile Mechanics' Local No. 701 Union and Industry 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 information about your current prescription drug coverage with the Automobile Mechanics' Local No. 701 Union and Industry Welfare Fund (the "Fund") and prescription drug coverage available for people with Medicare. It also explains the options you have under Medicare's prescription drug coverage program and can help you decide whether or not you want to enroll. If you are considering joining a Medicare prescription drug program, 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. At the end of this notice is information about where you can get help to make decisions about your prescription drug coverage.

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 prescription 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 Fund has determined that the prescription drug coverage it offers is, on average for all plan participants, expected to pay out as much as the standard Medicare prescription drug coverage will pay and is therefore considered Creditable Coverage. Because your existing coverage is on average at least as good as standard Medicare prescription drug coverage, you can keep this coverage and not pay a higher premium (a penalty) if you later decide to enroll in Medicare prescription drug coverage.

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

You can enroll in a Medicare prescription drug plan when you first become eligible for Medicare and each year from October 15<sup>th</sup> through December 7<sup>th</sup>. However, if you lose your current creditable coverage through no fault of your own or if you drop your Fund coverage, you may be eligible for a two (2) month Special Enrollment Period ("SEP") to sign up for a Medicare prescription drug plan.

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

If you decide to join a Medicare prescription drug plan, your current Fund coverage will be affected as follows:

**Active Employees.** You may enroll in Medicare Part D prescription drug coverage and keep your prescription drug coverage with the Fund. If you decide to enroll in Medicare Part D and keep your coverage through the Fund, the Fund will coordinate your benefits with Medicare. Note that if you are an active employee (or the spouse or dependent of an active employee) and eligible for Medicare, you may continue your prescription drug coverage through the Fund and not enroll in a Medicare prescription drug plan at this time.

**Retirees.** If you are a retiree (or the spouse or dependent of a retiree), your coverage under the Fund, including prescription drug coverage, will end when you become eligible for Medicare. You may be eligible for an HRA benefit if you enroll in a Medicare Supplement Plan through Willis Towers Watson. If you decide to opt-out of the Plan or if you decide to utilize a Medicare supplement plan outside the Willis Towers Watson network, you will no longer be eligible for the HRA benefit.

## **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 the Fund 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 enroll.

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

Call Holly Campbell at 708-482-0110 for further information. You will receive this notice each year and before the next period that you can enroll in Medicare prescription drug coverage. You will also receive a copy of this notice if coverage under the Fund 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 prescription drug plans. For more information about Medicare prescription drug plans:

- Visit [www.medicare.gov](http://www.medicare.gov)
- Call your State Health Insurance Assistance Program (see your copy of the Medicare & You handbook for their telephone number) for personalized help,
- 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. Information about this extra help is available from the Social Security Administration (SSA) online at [www.socialsecurity.gov](http://www.socialsecurity.gov), or you may call them at 1-800-772-1213 (TTY 1-800-325-0778).

**Remember: Keep this Creditable Coverage Notice. If you enroll in one of the plans approved by Medicare which offer prescription drug coverage, 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).**

<b>Date:</b>	October 1, 2020
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