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September 2018

## *Important Notice*

### *Prescription Drug Coverage and Medicare Part D for All Plan E Retirees Who Are Enrolled in the Indemnity PPO Medical Plan or UHC Medicare Advantage HMO*

#### **YOUR PLAN E RETIREE PRESCRIPTION DRUG COVERAGE IS NON-CREDITABLE**

The United Food & Commercial Workers Unions and Food Employers Benefit Fund (the Benefit Fund) has determined that the prescription drug coverage it offers to Medicare - eligible Plan E Retirees enrolled in the Indemnity PPO Medical Plan or the UHC Medicare Advantage HMO is Non-Creditable. This means that the Benefit Fund is expected to pay out, on average for all such Plan E Retirees, *less* than what the standard Medicare Part D Prescription Drug Plan (Part D Plan) would pay in 2019. Therefore, the prescription coverage offered by the Benefit Fund is considered “non-creditable coverage.” This is important because, for most Plan E Retirees, (1) enrolling in a Part D Plan means you will get more assistance with drug costs, and (2) it may mean that you may pay a higher premium if you do not join a Part D Plan when you first become eligible.

This Notice of Creditable Coverage (NOCC) applies to Plan E Retirees who are currently enrolled in one of the Benefit Fund’s medical plans listed above, and who are currently enrolled in Medicare or will become eligible for Medicare either due to age (turning 65 in 2019), disability, or end-stage renal disease. **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 Benefit Fund and about your options under Medicare Part D. This information can help you decide whether or not to join a Part D Plan.**

#### ***About Medicare Part D Enrollment***

If you are not entitled to Medicare Part A (hospital coverage) or enrolled in Medicare Part B (physician coverage) you may not enroll in a Part D Plan.

Medicare Part D Plans are provided through Medicare (not the Benefit Fund) and are sold by various Medicare - approved insurers and HMOs. All Part D Plans provide at least a standard level of coverage set by Medicare, although some Part D Plans offer more coverage for a higher monthly premium.

You can join a Part D Plan when: (1) you first become eligible for Medicare; (2) each year from October 15th through December 7th; and (3) during a Special Enrollment Period. Contact Medicare to see if you qualify to enroll during a Special Enrollment Period. If you do not enroll in a Part D Plan when you first become eligible, you may have to wait until the next enrollment period, and you may also have to pay a late enrollment penalty.

Medicare imposes a monthly penalty for late enrollment in a Part D Plan. If you go 63 continuous days or longer without creditable prescription drug coverage and then enroll in a Part D Plan, your monthly premium may go up by at least 1% of the Medicare base beneficiary premium for every month that you did not have either Medicare Part D Plan coverage or other creditable prescription drug coverage. For example, if you go 15 months



without creditable coverage, your monthly premium will always be at least 15% higher than the Medicare base beneficiary premium.

**You may wish to consider enrolling in a Part D Plan while keeping your current prescription drug coverage through the Benefit Fund. That's because Part D Plans provide better coverage, on average, than your existing prescription drug coverage through the Benefit Fund. In weighing this decision, you should consider whether the additional cost of a Part D Plan's monthly premium is worth its additional coverage. Also, you should keep in mind that if you enroll in a Part D Plan when you first become eligible for Medicare, you will not have to pay a late enrollment penalty.**

### *If You Enroll in a Part D Plan*

Before deciding whether or not to enroll in a Part D Plan, you should compare your prescription drug coverage and costs through the Benefit Fund with the coverage and costs of the Part D Plans offered in your area, including which drugs are covered.

If you decide to enroll in a Part D Plan, you will still keep your medical and non-creditable prescription drug coverage provided by the Benefit Fund, but your new Part D Plan coverage will become primary and your prescription drug coverage through the Benefit Fund will become secondary. This means your new Part D Plan will pay your prescription drug claims first, and you will have to follow your Part D Plan's rules about how to submit claims. Also, you will have to pay the monthly premium charged by your new Part D Plan out of your own pocket.

As the secondary payer, the Benefit Fund will review your prescription drug claims and determine under its Coordination of Benefit rules whether any portion of your claims are payable under the Benefit Fund's non-creditable Prescription Drug Program (contact the Fund Office for an explanation of non-creditable prescription drug coverage). **It will be your responsibility to submit your prescription drug claims to the Fund Office.**

### *For More Information*

More information about Medicare Part D Plans is available on [www.medicare.gov](http://www.medicare.gov) and in the "Medicare & You" handbook provided to Medicare participants every year. You may also call 800-MEDICARE (800-633-4227) or 877-486-2048 for TTY users.

Call your State Health Insurance Assistance Program for personalized help. In California, it's called the Health Insurance Counseling and Advocacy Program (HICAP). Call 800-434-0222 or visit [aging.ca.gov/hicap/](http://aging.ca.gov/hicap/). Contact information for similar programs in other states is listed in the "Medicare & You" handbook.

For people with limited income and resources, extra help is available to pay for a Medicare Part D Plan. To learn more about extra help, visit [socialsecurity.gov/](http://socialsecurity.gov/). You may also call 800-772-1213 or 800-325-0778 for TTY users.

You may also call the Fund Office at any of the phone numbers below if you have any questions about your prescription drug coverage.

Contact: **Southern California United Food & Commercial Workers Unions and Food Employers Joint Benefit Funds Administration, LLC**

Address: 6425 Katella Avenue, Cypress, California 90630-5238

Telephone: 714-220-2297, 562-408-2715, or 877-284-2320, extension 445 (for all three numbers).

**Esta publicación contiene información importante acerca de sus beneficios. Si usted tiene dificultad para comprender cualquier parte de esta información, o si tiene preguntas, comuníquese con su Sindicato Local o con la Oficina del Fondo al 714-220-2297, 562-408-2715 o 877-284-2320.**