

trust fund office  
**local union 831**  
employer health trust fund  
employer pension plan

**Important Notice  
About Your Prescription Drug Coverage and Medicare**

Date: October 12, 2016  
To: Active Participants in Local Union 831 Employer Health Trust Fund  
From: Local Union 831 Employer Health Trust Fund, Board of Trustees

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**This document is intended to serve as your Notice of Creditable Prescription Drug Coverage, as required by law.**

**If you or anyone in your family is now eligible for Medicare or will become eligible for Medicare in the next year, 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 Indemnity/PPO plan or with the Kaiser plan, as well as prescription drug coverage available for people with Medicare. It also tells you where to find more information to help you make decisions about your prescription drug coverage.

**Please read this notice carefully  
and keep it where you can find it.**

## **Important Notice from Local Union 831 Employer Health Trust 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 Local Union 831 Employer Health Trust Fund and about your options under Medicare's prescription drug coverage. If you are eligible for Medicare, this information can help you decide whether or not you want to join a Medicare drug plan. If you are considering joining, you should compare your current coverage under this Plan, including which drugs are covered at what cost, with the coverage and costs of the plans offering Medicare prescription drug coverage in your area. Information about where you can get help to make decisions about your prescription drug coverage is at the end of this notice. If you are not eligible for Medicare, this notice will not affect you.**

**There are two important things you need to know about your current coverage under this Plan and Medicare's prescription drug coverage:**

- 1. Medicare prescription drug coverage became available in 2006 to everyone with Medicare. If you are eligible for 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 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. Local Union 831 Employer Health Trust Fund has determined that the prescription drug coverage offered by this Fund to active participants is, on average for all plan participants, expected to pay out as much as standard Medicare prescription drug coverage pays and is therefore considered Creditable Coverage. Because your existing coverage is Creditable Coverage, you can keep this coverage and not pay a higher premium (a penalty) if you later decide to join a Medicare drug plan.**

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

**You can join a Medicare drug plan when you first become eligible for Medicare and each year from October 15<sup>th</sup> to December 7<sup>th</sup>.**

**However, if 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?**

If you are an active participant in this Fund and you decide to join a Medicare drug plan, your current coverage under this Fund will not be affected. The Local Union 831 Employer Health Trust Fund will continue to pay your health benefits, including your prescription drug benefits, and it will pay primary to Medicare. This means that even though you pay for the Medicare prescription drug plan, that plan will pay benefits only after this Fund has paid your benefits, and you may not receive much from the Medicare drug plan.

If, however, you are a retiree, once you are eligible for Medicare, you are no longer eligible to receive benefits from this Fund. Therefore, if you are a retiree under the Local Union 831 Employer Health Trust Fund and become eligible for Medicare, the Medicare drug plan may be your only option for prescription drug coverage.

### **When Will You Pay A Higher Premium (Penalty) To Join A Medicare Drug Plan?**

You should also know that if you lose your current coverage with this Fund and don't join a Medicare drug plan within 63 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 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 join.

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

Contact the person listed below for further information. **NOTE:** You'll get this notice each year, as long as you are a participant in the Local Union 831 Employer Health Trust Fund. You will also get it before the next period you can join a Medicare drug plan, and if the Fund's prescription drug coverage 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 drug plans.

For more information about Medicare prescription drug coverage:

- Visit [www.medicare.gov](http://www.medicare.gov)
- Call your State Health Insurance Assistance Program (see the inside back cover of 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. For information about this extra help, visit Social Security on the web at [www.socialsecurity.gov](http://www.socialsecurity.gov), or you call them at 1-800-772-1213 (TTY 1-800-325-0778).

**Remember: Keep this Creditable Coverage notice. If you decide to join one of the Medicare 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:	October 1, 2016
Name of Entity/Sender:	Local Union 831 Employer Health Trust Fund
Contact--Position/Office:	Customer Service
Address:	4399 Santa Anita Avenue, Suite 150 El Monte, CA 91731
Phone Number:	(626) 279-3080