



## LOCAL 36 BENEFIT FUNDS

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As you know, a change in the prescription drug program for Medicare Beneficiaries went into effect on January 1, 2006. This program is referred to as Medicare Part D. As part of this program, prescription drug benefits will be available through Part D Plans (also called PDPs).

Attached is your Medicare Prescription Drug Notice of Creditable Coverage. This document is being sent as part of the Fund's compliance with the Medicare Prescription Drug Benefit law. All welfare plans are required to provide these Certificates for two reasons: first, so that Medicare participants can decide whether they want to enroll in a Medicare D Prescription Drug Plan (Medicare PDP) and, second, so that anyone who does enroll in a Medicare PDP can demonstrate whether his or her coverage was at least equal to the coverage provided by a Medicare D plan. Below is a review of the information in the Notice.

For 2021 the standard Medicare D plan, which is the minimum allowable plan to be offered, has the following benefits: **Initial Deductible:** \$445; **Initial Coverage Limit:** \$4,130; **Out-of-Pocket Threshold:** \$6,550; **Coverage Gap (donut hole):** begins once you reach your Medicare Part D plan's Initial Coverage Limit (\$4,130) and ends when you spend a total of \$6,550. In 2021, Part D enrollees will receive a 75% discount on the total cost of their generic and brand-name drugs while in the donut hole. The full retail cost of brand name drugs will still apply to getting out of the donut hole even though 70% was paid for by the pharmaceutical manufacturers; however, the additional 5% paid by your Medicare Part D plan will not count toward your out-of-pocket threshold.

**THE PRESCRIPTION DRUG BENEFITS PROVIDED BY THE WELFARE FUND is at least equal to the coverage provided by a Medicare D plan. Therefore, whether you are an active participant eligible for Medicare or a Retired Participant, you have creditable coverage.** For these reasons we urge you to review all your options carefully and to not sign up for a Medicare D Plan without comparing the benefits to those you have under the Plan.

Your current coverage pays for other health expenses, in addition to prescription drugs. If you or your Medicare eligible dependent decides after comparing the benefits that you want to enroll in a Medicare prescription drug plan you will be terminated from the Welfare Fund's medical and prescription drug benefits, however, you will be eligible to reenroll in this Plan if coverage in the Medicare PDP is terminated within six (6) months.

Information about where to go to learn more about Medicare D can be found in the enclosed Certificate of Coverage. The Fund will also continue to provide you with additional information on this subject. In general, you will get better coverage and less out-of-pocket costs if you remain in the Welfare Plan without joining a Medicare PDP. However, in certain circumstances, for example if you are on Medicaid, joining a PDP may be better for you. Therefore, you should review all the information carefully and evaluate your choices in the context of your specific situation.

Trustees SMART Local 36 Welfare Fund

**IMPORTANT**  
**THIS NOTICE IS REQUIRED TO BE MAILED TO ALL ACTIVE**  
**MEMBERS. IF YOU ARE NOT ELIGIBLE FOR MEDICARE COVERAGE**  
**THEN THIS NOTICE DOES NOT APPLY TO YOU.**

**Important Notice from Smart Local 36 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 SMART Local 36 Welfare Fund and about your options under Medicare's prescription drug coverage. 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, 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.

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 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. SMART Local 36 Welfare Fund has determined that the prescription drug coverage offered by the SMART Local 36 Welfare Fund is, on average for all plan participants, expected to pay out as much as the standard Medicare prescription drug coverage will pay and is considered Creditable Coverage. However, when you retire and become eligible for Medicare you no longer have equivalent coverage in the SMART Local 36 Welfare Fund. This is important because, most likely, you will get more help with your drug costs if you join a Medicare drug plan. This also is important because it may mean that you may pay a higher premium (a penalty) if you do not join a Medicare drug plan when you first become eligible.

## **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> through 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 decide to join a Medicare drug plan, your current SMART Local 36 Welfare Fund coverage will be unaffected. SMART Local 36 will coordinate with Medicare if you choose to enroll in a Medicare prescription drug plan.

If you become eligible for Medicare and, as a result, lose your coverage under SMART Local 36 Welfare Fund, because your existing coverage is on average at least as good as standard Medicare prescription drug coverage, you will not pay extra if you decide to enroll in Medicare prescription drug coverage at that time. You must remember, however, that when you retire, your coverage (and that of your spouse and children) under SMART Local 36 Welfare Fund will end regardless of whether you are eligible for Medicare or whether you join a Medicare drug plan.

## **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 SMART Local 36 Welfare Fund and are eligible for Medicare but 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 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 SMART Local 36 Welfare Fund Office for further information at 314-652-8175. NOTE: You will get this notice each year. You will also get it before you are eligible to join a Medicare drug plan, and if this coverage through SMART Local 36 Welfare 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 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 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 whether or not you are required to pay a higher premium (a penalty).**

Date:	11/12/2020
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