



# STATIONARY ENGINEERS LOCAL 39 TRUST FUNDS

October 5, 2023

## **Important Notice from Stationary Engineers Local 39 Health & Welfare Plan about Prescription Drug Coverage for People with Medicare**

**This notice is for people with 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 Stationary Engineers Local 39 Health & Welfare Plan and the prescription drug coverage available for people with Medicare. It also explains the options you have under Medicare's prescription drug coverage and can help you decide whether or not you want to enroll in that Medicare prescription drug coverage. At the end of this notice is information on where you can get help to make a decision about Medicare's prescription drug coverage.

- **If you and/or your family members are not now eligible for Medicare, and will not be eligible during the next 12 months, you may disregard this Notice.**
- **If, however, you and/or your family members are now eligible for Medicare or may become eligible for Medicare in the next 12 months, you should read this Notice very carefully.**

This announcement is required by law whether the group health plan's coverage is primary or secondary to Medicare. Because it is not possible for our Plan to always know when a Plan participant or their eligible spouse or children have Medicare coverage or will soon become eligible for Medicare we have decided to provide this Notice to all plan participants.

Prescription drug coverage for Medicare-eligible people is available through Medicare prescription drug plans (PDPs) and Medicare Advantage Plans (like an HMO or PPO) that offer 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 drug coverage for a higher monthly premium.

**Stationary Engineers Local 39 Health & Welfare Plan has determined that the prescription drug coverage under the following prescription drug plan options are "creditable."**

- Self-funded prescription drug plan (provided through OptumRx for indemnity Participants).
- Fully insured Kaiser medical plan;
- Fully insured Blue Shield medical plan;

"Creditable" means that the value of this Plan's prescription drug benefit is, on average for all plan participants, expected to pay out as much as or more than the standard Medicare prescription drug coverage will pay.

Because the plan options noted above are, on average, at least as good as the standard Medicare prescription drug coverage, **you can elect or keep prescription drug coverage under Stationary Engineers Local 39 Health & Welfare Plan and you will not pay extra if you later decide to enroll in Medicare prescription drug coverage.** You may enroll in Medicare prescription drug coverage at a later time, and because you maintain creditable coverage, you will not have to pay a higher premium (a late enrollment fee penalty).

**REMEMBER TO KEEP THIS 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).**

### **WHEN CAN YOU JOIN A MEDICARE DRUG PLAN?**

Medicare-eligible people can enroll in a Medicare prescription drug plan at one of the following 3 times:

- when they first become eligible for Medicare; or
- during Medicare's annual election period (from October 15<sup>th</sup> through December 7<sup>th</sup>); or
- for beneficiaries leaving employer/union coverage, you may be eligible for a Special Enrollment Period (SEP) in which to sign up for a Medicare prescription drug plan.

When making your decision whether to enroll in a Medicare prescription drug plan, you should also compare your current prescription drug coverage (including which drugs are covered and at what cost), with the coverage and cost of the plans offering Medicare prescription drug coverage in your area.

### **YOUR RIGHT TO RECEIVE A NOTICE**

You will receive this notice at least every 12 months and at other times in the future such as if the creditable/non-creditable status of the prescription drug coverage through this plan changes. You may also request a copy of a Notice at any time.

### **WHY CREDITABLE COVERAGE IS IMPORTANT (When you will pay a higher premium (penalty) to join a Medicare drug plan)**

If you do not have creditable prescription drug coverage when you are first eligible to enroll in a Medicare prescription drug plan and you elect or continue prescription drug coverage under a **non-creditable** prescription drug plan, then at a later date when you decide to elect Medicare prescription drug coverage you may pay a higher premium (a penalty) for that Medicare prescription drug coverage for as long as you have that Medicare coverage.

Maintaining creditable prescription drug coverage will help you avoid Medicare's late enrollment penalty. This **late enrollment penalty** is described below:

If you go 63 continuous days or longer without creditable prescription drug coverage (meaning drug coverage that is at least as good as Medicare's 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 either Medicare prescription drug coverage or coverage under a creditable prescription drug plan. You may have to pay this higher premium (the penalty) as long as you have Medicare prescription drug coverage.

For example, if 19 months pass where you do not have creditable prescription drug coverage, when you decide to join Medicare's drug coverage your monthly premium will always be at least 19% higher than

the Medicare base beneficiary premium. Additionally, if you go 63 days or longer without prescription drug coverage you may also have to wait until the next Medicare open enrollment period in order to enroll for Medicare prescription drug coverage.

## WHAT ARE MY CHOICES?

You can choose any **one** of the following options:

	<b>What you can do:</b>	<b>What this option means to you:</b>
<p><b>Active Employees (and Dependents) and Retired Employees (and Dependents) who are <u>not eligible for Medicare</u></b></p>	<p>If you are an active employee or dependent of an active employee and are eligible for Medicare, your coverage in the current prescription drug plan provided through the Stationary Engineers Local 39 Health &amp; Welfare Plan will <i>not</i> change.</p> <p>Upon retirement, former employees and family members <u>not yet eligible for Medicare</u> are allowed to continue their medical and prescription drug coverage through the Trust by self-paying the required monthly premiums.</p> <p><b>There are no added benefits to you for enrolling in Medicare Part D while you are eligible for Trust Fund prescription drug benefits.</b></p>	<p>You will continue to be able to use your prescription drug benefits through Stationary Engineers Local 39 Health &amp; Welfare Plan.</p> <ul style="list-style-type: none"> <li>You may, in the future, enroll in a Medicare prescription drug plan during Medicare’s annual enrollment period (during October 15<sup>th</sup> through December 7<sup>th</sup> of each year).</li> <li>As long as you are enrolled in creditable drug coverage you will not have to pay a higher premium (a late enrollment fee) to Medicare when you do choose, at a later date, to sign up for a Medicare prescription drug plan.</li> </ul>
<p><b>Retired Employees (and Dependents) who are eligible for Medicare</b></p>	<p>Your medical and prescription drug coverage under the Trust Fund terminates when you become eligible for Medicare.</p> <p>This means that you will need to sign up for Medicare Part D prescription drug coverage.</p>	<p><b><u>When you become eligible for Medicare and your Trust coverage is terminated, you will be able to sign up for Medicare Part D coverage without premium penalty as long as you enroll timely (within 63 days following your initial Medicare eligibility date).</u></b></p> <p>Medicare Part D is provided through Medicare and is marketed by various Medicare-approved “Prescription Drug Providers” (PDPs) and Medicare Advantage Plans.</p> <p>Note that each Medicare prescription drug plan (PDP) may differ. Compare coverage, such as:</p> <ul style="list-style-type: none"> <li>PDPs may have different premium amounts;</li> <li>PDPs cover different brand name drugs at different costs to you;</li> <li>PDPs may have different prescription drug deductibles and different drug copayments;</li> <li>PDPs may have different networks for retail pharmacies and mail order services.</li> </ul>

## **FOR MORE INFORMATION ABOUT YOUR OPTIONS UNDER MEDICARE'S PRESCRIPTION DRUG COVERAGE**

More detailed information about Medicare plans that offer prescription drug coverage is available in the "Medicare & You" handbook. A person enrolled in Medicare (a "beneficiary") will get a copy of this handbook in the mail each year from Medicare. A Medicare beneficiary may also be contacted directly by Medicare-approved prescription 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 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.

### **Para más información sobre sus opciones bajo la cobertura de Medicare para recetas médicas.**

Revise el manual "Medicare Y Usted" para información más detallada sobre los planes de Medicare que ofrecen cobertura para recetas médicas. Visite [www.medicare.gov](http://www.medicare.gov) por el Internet o llame GRATIS al 1 800 MEDICARE (1-800-633-4227). Los usuarios con teléfono de texto (TTY) deben llamar al 1-877-486-2048. Para más información sobre la ayuda adicional, visite la SSA en línea en [www.socialsecurity.gov](http://www.socialsecurity.gov) por Internet, o llámeles al 1-800-772-1213 (Los usuarios con teléfono de texto (TTY) deberán llamar al 1-800-325-0778).

**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). For more information about this extra help, visit SSA online at [www.socialsecurity.gov](http://www.socialsecurity.gov), or call them at 1-800-772-1213 (TTY 1-800-325-0778).

### **For more information about this notice or your current prescription drug coverage contact:**

**Contact:** BeneSys Administrators

**Address:** P. O. Box 1737, San Ramon, CA 94583

**Telephone:** 800-622-0547

As in all cases, Stationary Engineers Health & Welfare Fund reserves the right to modify benefits at any time, in accordance with applicable law. This document (dated October 5, 2023) is intended to serve as your Medicare Notice of Creditable Coverage, as required by law.

## **NOTICE OF GRANDFATHER STATUS**

This group health plan (sponsored by the Stationary Engineers Local 39 Health and Welfare Trust Fund) believes that the Blue Shield HMO, Kaiser and Anthem Blue Cross PPO plan options are considered to be grandfathered health plans under the Patient Protection and Affordable Care Act (the Affordable Care Act). As permitted by the Affordable Care Act, a grandfathered health plan can preserve certain basic health coverage that was already in effect when that law was enacted. Being a grandfathered health plan means that the above noted plan options may not include certain consumer protections of the Affordable Care Act that apply to other plans, for example, the requirement for the provision of preventive health services without any cost sharing. However, grandfathered health plans must comply with certain other consumer protections in the Affordable Care Act, for example, the elimination of lifetime limits on benefits.

Questions regarding which protections apply and which protections do not apply to a grandfathered health plan and what might cause a plan to change from grandfathered health plan status can be directed to the Trust Fund Office at (800) 622-0547 or (925) 208-2280.

You may also contact the Employee Benefits Security Administration, U.S. Department of Labor at 1-866-444-3272 or <http://www.dol.gov/ebsa/healthreform/>. This website has a table summarizing which protections do and do not apply to grandfathered health plans.

*This document has been uploaded and is available on the participant website at: [www.Local39benefits.org](http://www.Local39benefits.org)*

