

Pipe Industry Health and Welfare Fund of Colorado

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Administered by
Welfare & Pension Administration Service, Inc.

October 13, 2017

Important Notice from Pipe Industry Health and Welfare Fund of Colorado About Your Prescription Drug Coverage and Medicare

Medicare Part D plans are available to every person who is eligible for Medicare. All such plans will provide at least a standard level of coverage set by Medicare and some plans may offer more coverage for a higher monthly premium. It is provided through Medicare and is marketed by various Medicare-approved “Prescription Drug Providers” (PDPs). If you are eligible for Medicare, you will have a chance to enroll in a Medicare-approved Part D plan from October 15th through December 7th of each year.

This notice is to inform you that your current prescription drug benefit program through the Pipe Industry Health and Welfare Fund of Colorado provides “creditable coverage,” as defined below. It also includes answers to questions you may have regarding your current prescription drug program and how it relates to Medicare Part D coverage.

2018 CERTIFICATE OF CREDITABLE PRESCRIPTION DRUG COVERAGE

The Pipe Industry Health and Welfare Fund of Colorado hereby certifies that the prescription drug coverage it provides to Medicare-eligibles is expected to pay out, on average for all such participants, at least as much as the standard Part D coverage would pay in calendar year **2018**. It is therefore designated as providing **2018** “creditable coverage,” meaning that any participant who later enrolls in a Part D plan will not be charged a late enrollment penalty for **2018**.

This is your notice of creditable coverage. Be sure to read it carefully and keep it in a safe place where you can find it. If you lose this notice and need another copy, please call the Fund’s Administrator at 206-441-7574 or 800-257-2168, or request a copy in writing from Welfare & Pension Administration Service, Inc., P.O. Box 34203, Seattle, WA 98124. Updated versions of this notice will be sent annually and you will be informed if the Fund ever loses its creditable coverage status.

FREQUENTLY ASKED QUESTIONS

(1) Do I need to do anything now?

Your Choices	What you can do:	What this option means to you:
Option 1	<p>If you are an Active Employee who is eligible for Medicare or the dependent of an Active employee who is eligible for Medicare, you can select or keep your current medical and prescription drug coverage with the PPO Plan for Active Employees or the PPO Residential Plan and you do not have to enroll in a Medicare prescription drug plan.</p>	<p>You will continue to be able to use your prescription drug benefits through the PPO Plan for Active Employees or the PPO Residential Plan.</p> <ul style="list-style-type: none"> • You may, in the future, enroll in a Medicare prescription drug plan during Medicare’s annual enrollment period (during October 15-December 7 of each year). • 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.
Option 2	<p>If you are an Active Employee who is eligible for Medicare or the dependent of an Active employee who is eligible for Medicare, you can select or keep your current medical and prescription drug coverage with the PPO Plan for Active Employees or the PPO Residential Plan and also enroll in a Medicare prescription drug plan.</p> <p>If you enroll in a Medicare prescription drug plan you will need to pay the Medicare Part D premium out of your own pocket.</p>	<p>Your current coverage pays for other health expenses in addition to prescription drugs.</p> <p>If you enroll in a Medicare prescription drug plan, you and your eligible dependents will still be eligible to receive all of your current health and prescription drug benefits.</p> <p>Having dual prescription drug coverage under this Plan and Medicare means that this Plan will coordinate its drug payments with Medicare, as follows:</p> <ul style="list-style-type: none"> • for Medicare eligible Active Employees and their Medicare eligible Dependents, this group health plan pays primary and Medicare Part D coverage pays secondary. <p>Note that you may not drop just the prescription drug coverage under this the PPO Plan for Active Employees or the PPO Residential Plan. That is because prescription drug coverage is part of the entire medical plan.</p> <p>Note that each Medicare prescription drug plan (PDP) may differ. Compare coverage, such as:</p> <ul style="list-style-type: none"> • PDPs may have different premium amounts; • PDPs cover different brand name drugs at different costs to you; • PDPs may have different prescription drug deductibles and different drug copayments; • PDPs may have different networks for retail pharmacies and mail order services.

(2) *When can I join a Medicare Part D Plan?*

You can join a Medicare Part D Plan when you first become eligible for Medicare¹, and each year thereafter from October 15 to December 7.

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 Part D Plan.

(3) *So why do I need to keep my notice of creditable coverage?*

In case you ever drop or lose your Fund coverage, or in the unlikely event that Fund coverage becomes non-creditable, having this notice will allow you to immediately enroll in a Medicare Part D plan without having to pay a late enrollment penalty.

(4) *When will I pay a higher premium (penalty) to join a Medicare Part D Plan?*

You should also know that if you drop or lose your current coverage with the Fund and don't join a Medicare Part D 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 Part D drug coverage. In addition, you may have to wait until the following October to join.

(5) *How can I get more information on Medicare Part D?*

More detail will be in the handbook "Medicare & You" that is mailed to you by Medicare in October of each year. For personalized help you can call the number on the inside back cover of the handbook for your state's Health Insurance Assistance Program. Also, at any time you can visit <http://www.medicare.gov> or call 1-800-MEDICAR (1-800-633-4227). TTY users should call 1-877-486-2048.

For people with limited income and resources, extra help paying for a Medicare prescription drug plan is available. For more information about this extra help, visit the Social Security Administration website at <http://www.socialsecurity.gov/> or call them at 1-800-772-1213. TTY users should call 1-800-325-0778.

¹ Your Medicare Initial Enrollment Period will be the month in which you become age 65, plus the preceding three months and the succeeding three months.

Be sure to keep this notice. If you enroll in one of the plans approved by Medicare which offer prescription drug coverage, you may need to give a copy of this notice when you join to show that you are not required to pay a higher premium.

Date: October 13, 2017
Plan Sponsor: Pipe Industry Health and Welfare Fund of Colorado
Administrator: Welfare & Pension Administration Service, Inc.
Address: P.O. Box 34203, Seattle, WA 98124
Telephone: 800-257-2168 or 206-441-7574

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