



Operating Engineers Local 825 Fund Service Facilities

65 Springfield Avenue, Second Floor
Springfield, New Jersey 07081
(973) 671-6800

Pre-Cert and PPO
(800) 677-3237

EMPLOYER TRUSTEES

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ARTHUR B. CORWIN
JOHN F. DALY
JACK KOCSIS, JR.

CHRISTINE MEDICH
ADMINISTRATOR



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July 1, 2021

Dear Participant:

Regulations implementing Medicare prescription drug coverage require that the Welfare Plan inform participants annually whether the Plan's prescription drug coverage is creditable.

The enclosed Notice of Creditable Coverage lets you know that the Welfare Plan's prescription drug coverage is creditable and that as long as you remain covered for prescription drug benefits under the Welfare Plan you will not face penalties for delaying enrollment in a Medicare Part D plan.

Sincerely,

Christine Medich
Christine Medich
Administrator

Enclosure

NOTICE OF CREDITABLE COVERAGE

Important Notice from Operating Engineers Local 825 Welfare Plan About Your Prescription Drug Coverage and Medicare

Medicare prescription drug coverage became available in 2006 to everyone with Medicare through Medicare prescription drug plans and Medicare Advantage Plans 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 coverage for a higher monthly premium.

The prescription drug coverage you have under the Operating Engineers Local 825 Welfare Plan is, on average for all plan participants, expected to pay out as much as the standard Medicare Part D coverage and is 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.

This is your Notice of Creditable Coverage. It provides information about your current prescription drug coverage under the Operating Engineers Local 825 Welfare Plan and about the options you have under Medicare prescription drug coverage and can help you decide whether or not you want to enroll in a Medicare drug plan. If you are considering enrolling in a Medicare drug plan, 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. At the end of this notice is information about where you can obtain help to make decisions about your prescription drug coverage. Please read this notice carefully and keep it in a *safe place* where you can find it.

Below are some answers to questions you may have regarding creditable coverage and how it relates to Medicare Part D plans.

What do I need to do?

To stay with your current prescription drug coverage under the Operating Engineers Local 825 Welfare Plan, *you don't have to do anything*. Just keep using the coverage you have now. You can continue to use the same pharmacy network (retail and mail order) and you don't need to go through an enrollment process. You're already enrolled in the Welfare Plan, which provides you with coverage that is, on average, at least as good as that offered under Medicare Part D.

Why do I need to keep my notice of creditable coverage?

If you wish to continue your prescription drug coverage under the Operating Engineers Local 825 Welfare Plan, just keep using it as you do now. However, if you later decide to enroll in one of the many Medicare Part D prescription drug plans, you may be asked for a copy of this notice. This notice will let a Medicare Part D plan know that you have creditable coverage now and are not required to pay a late enrollment penalty, which could result in a higher premium on your new coverage. *Remember*, the coverage you have now under the Welfare Plan is creditable coverage. That is, your current coverage *is*, on average, at least as good as that offered by Medicare Part D.

What if I lose my notice of creditable coverage?

If you need another copy of your notice of creditable coverage, please call the Fund Office at 973-671-6800. You may also write to the Fund Office at 65 Springfield Avenue, Second Floor, Springfield, NJ 07081.

Do I have to enroll in a Medicare Part D plan now?

No. You do not have to enroll in a Medicare Part D plan if you are satisfied with your current coverage under the Welfare Plan. You do have the option to enroll in one of Medicare Part D's many prescription drug plans when you first become eligible for Medicare and each year from October 15 to December 7. However, if you lose your coverage under the Welfare Plan 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.

If I decide to enroll in a Medicare Part D plan, what happens to my coverage with the Operating Engineers Local 825 Welfare Plan?

If you choose to enroll in a Medicare prescription drug plan, you will no longer be eligible to receive prescription drug benefits under the Welfare Plan and will not be able to reinstate your prescription drug coverage with the Welfare Plan at a later date. Your cost for continued coverage as a retiree will be adjusted to reflect the reduction in your level of benefit coverage. If you consider enrolling in a Medicare Part D prescription drug plan, it is important that you compare coverage and costs under the Welfare Plan with coverage and costs of Medicare Part D plans in your area. Please contact the Fund Office for information about what happens to your coverage under the Welfare Plan if you enroll in a Medicare Part D plan.

When will I pay a higher premium (penalty) to join a Medicare drug plan?

If you drop or lose your prescription drug coverage under the Welfare Plan and don't join a Medicare drug plan within 63 continuous days after your coverage under the Welfare Plan ends, you may pay a higher premium (penalty) to join a Medicare drug plan later.

If you go for 63 continuous days or longer without creditable prescription drug coverage, *your monthly premium under a Medicare plan 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 (19) 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.

How can I get more information about this notice or my coverage with the Operating Engineers Local 825 Welfare Plan?

Contact the Welfare Fund listed below for further information. NOTE: You will receive this notice annually. You will also receive a notice if prescription drug coverage under the Welfare Plan changes so that it is no longer creditable. You also may request a copy at any time.

How can I get more information about my 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 receive a copy of the handbook in the mail every year from Medicare. You may also be contacted directly by Medicare prescription drug plans. For more information about Medicare prescription drug coverage:

- Visit 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.

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

Be sure to keep this notice. You may be asked for a copy of this notice if you enroll in one of the prescription drug plans approved by Medicare 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).

*July 1, 2021
Operating Engineers Local 825 Welfare Fund
Medicare Part D Inquiry
65 Springfield Avenue – Second Floor
Springfield, NJ 07081
973-671-6800 – Extension 6860*