

## **Important Notice from Idaho Pipe Trades Trust 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 Idaho Pipe Trades Trust 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 a 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. Idaho Pipe Trades Trust has determined that the prescription drug coverage offered by OptumRx is, on average for all plan participants, expected to pay out as much as the standard Medicare prescription drug coverage 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 decide to join a Medicare drug plan, your current Idaho Pipe Trades Trust coverage may be affected. See below for more information about what happens to your current coverage if you join a Medicare drug plan.

**If you are covered by the Trust as an active employee**, or spouse of an active employee, and you decide to enroll in a Medicare prescription drug plan, your coverage under the Trust will not be affected. The Trust will continue to be your primary coverage for prescription drugs.

**If you are covered by the Trust as a retiree**, or spouse of a retiree, and decide to enroll in a Medicare prescription drug plan, you will receive prescription drug benefits from the Medicare plan only. The Trust will not pay secondary benefits for prescription drugs, and the amount you must pay to the Trust for other health coverage will not change.

Your current coverage pays for other health expenses, in addition to prescription drugs. If you choose to enroll in a Medicare prescription drug plan, you will still be eligible to receive all of your other current health benefits by continuing to pay the required monthly amount to the Trust.

**If you decide not to enroll in a Medicare prescription drug plan**

If you make the decision not to enroll in a Medicare prescription drug plan, your prescription drug benefits will continue through the Trust plan.

You should compare your current coverage through the Trust, including which drugs are covered, with the coverage and cost of the plans offering Medicare prescription drug coverage in your area.

**Idaho Pipe Trades prescription drug benefit**

The Trust plan covers prescription drugs through the OptumRx drug card program. This program features a network of participating pharmacies for your convenience. When you use a pharmacy within the OptumRx network, you simply take your prescription and your OptumRx drug card to the pharmacy and make the appropriate co-payment to receive up to a 30 day supply. Co-payments are as follows:

Type of Drug	Co-payment
Generic	\$20.00
Preferred Brand	\$40.00
Non-Preferred Brand	\$70.00
Specialty Drugs	10% co-pay up to \$120.00

If you choose to purchase a brand name drug when a generic equivalent is available, the plan will only pay the amount it would have paid for the generic drug. In addition to the copay listed above, you will have to pay the additional cost of the brand drug.

For maintenance drugs – those drugs you use on an ongoing basis and that are listed on the OptumRx maintenance drug list – you are able to fill a 90 day prescription for two times the regular Retail co-payments for all tiers through the mail order program. If you choose to not use mail order for your maintenance drugs, you need to opt out of the mail order program and you can fill only a 30 day supply.

If you fill your prescription at a pharmacy outside the network, the same co-payments apply but you must pay the full cost when you make the purchase. Then, submit a claim form and the receipt to OptumRx for reimbursement. These claims will be reimbursed at the negotiated pharmacy rate, less the appropriate co-payment. However, prescriptions filled at Wal-Mart are not eligible for reimbursement.

**If you do decide to join a Medicare drug plan and drop your Idaho Pipe Trades Trust prescription drug coverage, be aware that you and your dependents may not be able to get this coverage back.**

### **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 coverage with Idaho Pipe Trades Trust and don't join a Medicare drug plan within 63 continuous days after your 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 the 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 a notice each year. You will also get it before the next period you can join a Medicare drug plan, and if this coverage through Idaho Pipe Trades Trust 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, therefore, whether or not you are required to pay a higher premium (a penalty).**

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