



IBEW LOCAL 234 HEALTH AND WELFARE PLAN



Important Notice from IBEW Local 234 Health and Welfare Plan About Your Prescription Drug Coverage and Medicare

NOTE: You are not required to take any action. This notice is required by law.

Please read this notice carefully and keep it where you can find it. This notice has information about your current prescription drug coverage with the IBEW Local 234 Health and Welfare Plan 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 a Medicare Plan (instead of continuing coverage under this 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. 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 obtain 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. **The Board of Trustees of the IBEW Local 234 Health and Welfare Plan ("Plan") has determined that the prescription drug coverage offered by the Plan is, on average for all plan participants, expected to pay out as much as standard Medicare prescription drug coverage pays 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. This document is considered your "Certificate of Creditable Prescription Drug Coverage".**

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 November 15th through December 31st.

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 join a Medicare drug plan, your current IBEW Local 234 Health and Welfare Plan coverage will be affected. Your current prescription drug coverage offered through Sav-Rx under the Plan covers your prescriptions as shown below. If you enroll in Medicare Part D you must notify the Plan of your enrollment and drop the group coverage. If you decide to join a Medicare drug plan and drop your IBEW Local 234 Health and Welfare Plan coverage, be aware that you and your dependents may not be able to get this coverage back. If anyone is already enrolled in Medicare Part D, they may not also enroll in the IBEW Local 234 Health and Welfare Plan.

You should be sure to carefully review the costs and coverage available from Medicare Part D if you or your Medicare eligible spouse/dependent wish to enroll in this option instead and drop your coverage provided by IBEW Local 234 Health and Welfare Plan. Medicare Part D coverage is offered through private prescription drug plans that have been approved by Medicare. If you enroll in a Medicare prescription drug plan, you will pay a monthly premium which could increase in future years. You will also have to pay the Medicare Part D deductibles and co-payments.

Current Prescription Benefits Under the Plan:

	30 Day Supply Purchased at Retail			90 Day Supply Mail Order		
	Generic	Formulary Brand	Non-Formulary Brand Name	Generic	Formulary Brand	Non-Formulary Brand Name
Co-Pay	20% + \$10	20% + \$10	30% + \$10	\$10	\$20	\$20

When Will You Pay A Higher Premium (Penalty) To Join A Medicare Drug Plan?

If you drop or lose your current coverage with the IBEW Local 234 Health and Welfare Plan and don't join a Medicare prescription 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 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 November to join.

For More Information About This Notice Or Your Current Prescription Drug Coverage...

Contact the person listed below for further information. **NOTE:** You will receive this notice each year. You will also receive it before the next period you can join a Medicare drug plan, and if the coverage through this Plan 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 receive 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
- 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, 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 this notice when you join to show that you have maintained creditable coverage and, therefore, whether or not you are required to pay a higher premium (a penalty).

Date: November 5, 2010
Sender: IBEW Local 234 Health and Welfare Plan
Address: 1731 Technology Drive, Suite 570
San Jose, CA 95110
Phone Number: (408) 588-3770

Grandfathered Health Plan Notice

(Pursuant to New Federal Health Care Law)

The Board of Trustees of the IBEW Local 234 Health and Welfare Plan believes this plan is a “grandfathered health plan” 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 your Plan 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 plan administrator at the number above. You may also contact the Employee Benefits Security Administration, U.S. Department of Labor at 1-866-444-3272 or www.dol.gov/ebsa/healthreform. This website has a table summarizing which protections do and do not apply to grandfathered health plans.

The new health care law is required to be implemented as of the first Plan Year that begins after September 23, 2010, which will be June 1, 2011. A separate notice will be sent to you in 2011 summarizing the Plan changes required by the new health care law.