

## **Important Notice from the DC 37 Health & Security Plan 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 the DC 37 Health & Security Plan (the 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, 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 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 actuary for the Plan, the Segal Company, 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.**

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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 15th through December 7th.

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 DC 37 Health & Security Plan prescription drug coverage will be affected.

If you are a retiree and do decide to enroll in an independent Medicare prescription drug plan, or if you receive a prescription drug benefit through your enrollment in a Medicare Advantage Plan such as HIP/VIP, your prescription drug coverage under this Plan will be affected, as described below.

Specifically, if you enroll in such a plan, you will receive your prescription drug benefits through the independent Medicare or Medicare Advantage Plan first, and will be responsible to pay any applicable premiums, deductibles or co-payments for that plan. These costs are not reimbursable by this Plan's prescription drug benefit.

If you are enrolled in a Medicare Prescription Drug Plan or a Medicare Advantage Plan, the DC 37 Health & Security Plan's prescription drug benefit will not be available to you except for prescription drugs that are not covered by your Medicare plan's formulary. In these cases, you must contact the DC 37 Health & Security Plan office, and this Plan's prescription drug benefit will be reinstated for the dispensing of a Plan-covered medication only, subject to all of the Plan's rules and limitations. In addition, once you have reached your Medicare plan's coverage gap or annual prescription drug limit, you will need to provide the Plan Office with an Explanation of Benefits statement (EOB) from the Medicare plan indicating that you have met that plan's limit. This statement must be submitted to the DC 37 Health & Security Plan's Drug Unit (the "Drug Unit") in order to reinstate this Plan's prescription drug coverage. The Drug Unit will then reinstate your prescription drug benefit and you will be able to use your prescription card for medications covered by the Plan at the Plan's co-payment schedule and subject to all of the Plan's rules and limitations.

The Plan's prescription drug benefit cannot be reinstated without an Explanation of Benefits (EOB) statement from either your Medicare Prescription Drug Plan or your Medicare Advantage Health Insurance Plan.

This EOB statement must be sent to:

DC 37 Health & Security Plan, Drug Unit, Room 813,  
125 Barclay Street, New York, New York 10007-2179

## **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 current coverage with the DC 37 Health & Security Plan and don't join a Medicare 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 DC 37 Health & Security Plan's Inquiry Unit listed below for further information.

**NOTE:** You'll get this notice each year. You will get it before the next period you can join a Medicare drug plan, and if this coverage through the DC 37 Health & Security 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 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).**

Date:	October 1, 2011
Name of Entity/Sender:	DC 37 Health & Security Plan
Contact--Position/Office:	Inquiry Unit
Address:	125 Barclay Street New York, New York 10007
Phone Number:	(212) 815-1234