

Important Notice from the District Council 37 Health & Security Plan Trust About Your Prescription Drug Coverage and Medicare

Please read this notice carefully and keep it with your important benefit information. This notice has information about your current prescription drug coverage with the DC 37 Health & Security Plan and prescription drug coverage available for people with Medicare. It explains the options you have under Medicare prescription drug coverage and can help you decide whether or not you want to enroll. There is also information about where you can get help to make decisions about your prescription drug coverage. The DC 37 Health & Security Plan's prescription drug plan is a creditable plan compared to other Medicare Part D plans.

1. 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.
2. Actuaries for the DC 37 Health & Security Plan Trust have determined that the prescription drug coverage offered by the DC 37 Health & Security Plan is, on average for all plan participants, expected to pay out as much as the standard Medicare prescription drug coverage will pay and is considered Creditable Coverage.

Because your existing coverage is on average at least as good as or better than standard Medicare prescription drug coverage, you can keep this coverage and not pay extra if you later decide to enroll in Medicare prescription drug coverage.

Individuals can enroll in a Medicare prescription drug plan when they first become eligible for Medicare and each year from November 15th through December 31st. Beneficiaries leaving employer/union coverage may be eligible for a Special Enrollment Period to sign up for a Medicare prescription drug plan.

If you are a retiree and do decide to enroll in an independent Medicare prescription drug plan or receive a prescription drug benefit through your enrollment in a Medicare Advantage Plan (doctor and hospital coverage) such as HIP/VIP or Oxford your DC 37 Health & Security Plan prescription drug benefit will be affected. Please note that enrollment in a Plan outside of the City of New York's Employee Benefits Program may affect your eligibility for Medicare Part B re-imburement.

You will receive your prescription drug benefits through that program first and will be responsible to pay any applicable premiums, deductibles or co-payments for that plan. These costs are not reimbursable by the DC 37 Health & Security Plan's prescription drug benefit.

Your DC 37 Health & Security Plan prescription drug benefit will not be available to you except for prescription drugs that are not covered by your Medicare Advantage Plan's formulary. In these cases, you must contact the Plan office and your DC 37 Health & Security Plan's prescription drug benefit will be reinstated for the dispensing of a Plan covered medication only, subject to Plan rules. Once you have reached your Plan's coverage gap or annual prescription drug limit, you will need to provide an Explanation of Benefits statement (EOB) from your plan indicating that you have met that plan's annual limit. This statement must be submitted to the DC 37 Health & Security Plan's Drug Unit.

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The Drug Unit will then reinstate your DC 37 prescription drug benefit and you will be able to use your DC 37 prescription card for medications covered by our Plan at our co-payment schedule and subject to Plan rules. The DC 37 Health and Security Plan's prescription drug benefit cannot be reinstated without an Explanation of Benefit (EOB) statement from either your Medicare 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

You should also know that if you lose your coverage with the DC 37 Health & Security Plan and don't enroll in Medicare prescription drug coverage after your current coverage ends, you may pay more (a penalty) to enroll in Medicare prescription drug coverage later.

If you go 63 days or longer without prescription drug coverage that's at least as good as Medicare's prescription drug coverage, your monthly premium will go up at least 1% per month for every month that you did not have that coverage. In addition, you may have to wait until the following November to enroll.

NOTE: You will receive this notice annually and at other times in the future such as before the next period you can enroll in Medicare prescription drug coverage, and if this coverage through the DC 37 Health & Security Plan changes. You also may request a copy.

For more information about Medicare prescription drug plans:

- Visit www.medicare.gov
- Call your State Health Insurance Assistance Program (see 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 Medicare prescription drug coverage is available. Information about this extra help is available from the Social Security Administration (SSA) online at www.socialsecurity.gov, or you call them at 1-800-772-1213 (TTY 1-800-325-0778).

Remember: Keep this notice. If you enroll in one of the new plans approved by Medicare which offer prescription drug coverage, you may be required to provide a copy of this notice when you join to show that you are not required to pay a higher premium amount.

**Date: November 2007
DC 37 Health & Security Plan
125 Barclay Street
New York, New York 10007-2179**

If you have any questions about your prescription drug benefit or any other DC 37 Health & Security Plan benefit, please call the Plan's Inquiry Unit at (212) 815-1234, outside of the NY metropolitan area 1-877-323-7738.