

# LOCAL 807 LABOR-MANAGEMENT HEALTH & PENSION FUNDS

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### **Important Notice from the Board of Trustees of the Local 807 Labor–Management Health Fund about Your Prescription Drug Coverage and Medicare for Medicare-Eligible Individuals**

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 Local 807 Labor–Management Health Fund 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 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. The Board of Trustees of the Local 807 Labor-Management Health Fund has determined that the prescription drug coverage offered by the Local 807 Labor-Management Health Fund 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 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.

#### **When Can You Join A Medicare Drug Plan?**

You can join a Medicare prescription drug plan when you first become eligible for Medicare and each year from October 15<sup>th</sup> through December 7<sup>th</sup> (the annual enrollment period).

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?**

You can keep your current medical and prescription drug coverage with Local 807 Labor–Management Health Fund and you do not have to enroll in a Medicare prescription drug plan. You do not need to enroll in a Medicare prescription drug plan now in order to avoid a Medicare late enrollment penalty if you enroll later. Because your active prescription drug coverage through the Fund is as good as the standard Medicare prescription drug benefit in terms of expected payout, you can keep this coverage and not pay a higher premium (a penalty) if you later decide to join a Medicare drug plan (provided you enroll in a timely manner after you lose this coverage).

Whether or not you enroll in a Medicare prescription drug plan, your current prescription drug coverage will continue as long as you continue to meet the eligibility requirements of the Fund. If you do enroll in a Medicare prescription drug plan, the Local 807 Labor-Management Health Fund coverage will be primary and the Medicare prescription drug plan will be secondary.

### **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 the Local 807 Labor-Management Health Fund, and do not 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 prescription drug coverage that's at least as good as Medicare's prescription drug coverage, your monthly premium may go up by at least 1% of the base beneficiary premium per month for every month that you did not have that coverage. For example, if you go nineteen months without coverage, your premium may consistently be at least 19% higher than the 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 Fund Office for further information. **NOTE:** You will receive this notice each year. You will get it before the next period you can enroll in a Medicare prescription drug plan, and if this coverage changes. You also may request a copy 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 whether or not you are required to pay a higher premium (a penalty).**

Date: September 20, 2023

Name of Entity/Sender: Local 807 Labor-Management Health Fund

Contact: Fund Office

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Phone Number: 718-274-5353

As in all cases, the Board of Trustees of the Local 807 Labor-Management Health Fund reserves the right to modify benefits at any time, in accordance with applicable law.

This document is intended to serve as your Notice of Creditable Coverage as required by law.