

**IMPORTANT NOTICE FROM THE  
PENSION, HOSPITALIZATION AND BENEFIT PLAN OF THE ELECTRICAL INDUSTRY (PHBP)  
ABOUT YOUR PRESCRIPTION DRUG COVERAGE AND MEDICARE**

**CERTIFICATE OF CREDITABLE COVERAGE**

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 Pension, Hospitalization and Benefit Plan of the Electrical Industry (PHBP) 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 PHBP has determined that the prescription drug coverage offered by the Pension, Hospitalization and Benefit Plan of the Electrical Industry is, on average for all plan participants, expected to pay out as much as standard Medicare prescription drug coverage pays 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.

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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 November 15<sup>th</sup> through December 31<sup>st</sup>.

However, if you lose your current creditable prescription drug coverage, through no fault of your own, you will 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 PHBP coverage will not be affected. Although we think most retirees will not elect to enroll in a Medicare prescription drug plan at this time, if you decide to do so, you will still maintain your prescription drug coverage with the PHBP. In such an instance, the Medicare prescription coverage will be considered primary and the benefits provided through the PHBP will act as secondary coverage.

The prescription drug program coverage currently provided to all retired participants of the PHBP is indicated below. You should compare this coverage to what you can obtain from a Medicare prescription drug plan.

<b>These co-payments apply to retired Participants only.</b> <i>(co-payments for active Participants are higher)</i>	<b>Co-payments at a participating retail pharmacy</b> <b>(Up to a 34-day supply)</b>	<b>Co-payments through the mail order service</b> <b>(Up to a 90-day supply)</b>
<b>Generic Drugs</b>	<b>\$15</b>	<b>\$35</b>
<b>Plan Preferred Formulary brand-name drugs</b>	<b>\$25</b>	<b>\$65</b>
<b>Plan Non-preferred brand-name drugs</b>	<b>\$40</b>	<b>\$110</b>

This program includes a mandatory generic substitution policy. If a prescription drug has a generic equivalent and the participant or dependent elects the brand name or the physician indicates that only the brand name should be dispensed, the participant must pay the pharmacist the difference between the maximum allowable cost of the generic drug and the cost of the brand drug.

The program also requires the use of a mail order service program that is administered by the Express Scripts Mail Service Pharmacy for all maintenance medications. The cost to you for a 90-day supply is the only applicable co-payment unless you request a brand name drug when a generic is available. In that case, you are responsible for paying the difference in cost, plus a co-payment. The Plan will allow only the initial prescription and one refill of a maintenance medication to be filled at a local pharmacy. Any subsequent prescription or refill relating to the same maintenance medication must be filled through the Express Scripts Mail Order Program or you will be responsible for the payment of the entire cost of the drug and will not receive any reimbursement from this Plan.

The following drugs are not covered under the Plan: non-sedating antihistamines, fertility drugs, vitamins, anti-obesity drugs, drugs for erectile dysfunction and smoking deterrents.

In addition, the PHBP reimburses you for other health expenses, in addition to prescription drugs, and you will still be eligible to receive all of your current health and prescription drug benefits if you choose to enroll in a Medicare prescription drug plan.

If you decide to join a Medicare drug plan and drop your current PHBP coverage, be aware that you and your dependents will be able to get this coverage back.

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

You should know that if you drop or lose your current coverage with the PHBP and don't join a Medicare drug plan within 63 continuous days after your current coverage ends, you may pay more (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 (19) 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 our office for further information at (718) 591-2000, Ext. 1405. NOTE: You'll get this notice every year. You will also get it before the next period you can join a Medicare drug plan, and if the prescription drug coverage through the PHBP 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 will be available 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 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 a Medicare prescription drug plan 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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