



# BAY AREA DELIVERY DRIVERS SECURITY FUND



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## MEDICARE PART D (Prescription Drugs) Notice of Creditable Coverage

**If you are age 65 or older or otherwise eligible for Medicare (or will become eligible during the next 12 months), read this notice. If you are not now eligible for Medicare and will not become eligible in 2023 you can ignore this notice.**

**DO NOT ENROLL IN MEDICARE PART D IF YOU INTEND TO KEEP YOUR BAY AREA DELIVERY DRIVERS PRESCRIPTION DRUG COVERAGE**

To All Medicare-Eligible Participants, Spouses and Dependents, including COBRA beneficiaries, in All Bay Area Delivery Drivers Security Fund Plans (other than Kaiser Senior Advantage):

When you are eligible for Medicare you are also eligible for Medicare's prescription drug benefit -- "**Medicare Part D.**" Individuals can enroll in a Medicare prescription drug plan when they first become eligible for Medicare and each year during Medicare's annual election period from October 15<sup>th</sup> through December 7<sup>th</sup>. Beneficiaries leaving the Fund may be eligible for a Special Enrollment Period to sign up for a Medicare prescription drug plan for two months after losing coverage.

**YOUR CURRENT FUND PRESCRIPTION DRUG COVERAGE THROUGH THE SELF-FUNDED PPO PLANS AND THROUGH THE FULLY INSURED KAISER HMO PLAN PROVIDES COVERAGE AT LEAST AS GOOD AS MEDICARE PART D. The federal Centers for Medicare and Medicaid Services (CMS) will consider your coverage under the Fund to be "creditable," which means that, on average, the Bay Area Delivery Drivers Security Fund will pay as much or more for your prescription drug coverage as Medicare would pay if you enrolled in Part D.**

Medicare expects you to enroll in Part D as soon as you become eligible and charges higher premiums to late enrollees, *unless you are already covered by creditable prescription drug coverage* like the Bay Area Delivery Drivers Security Fund's prescription drug coverage. Because your Fund coverage is "creditable," if you decide to enroll in Part D in the future – because, for example, your Bay Area Delivery Drivers Security Fund coverage terminates – you will not be penalized for late enrollment in Part D. If your Fund coverage ends, through no fault of your own, you will have up to 63 days to enroll in Medicare Part D without incurring a late enrollment penalty. Here is how the **late enrollment penalty** works:

If you go 63 continuous days or longer without creditable prescription drug coverage (meaning drug coverage that is at least as good as Medicare's 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 either Medicare prescription drug coverage or coverage under a creditable prescription drug plan. You may have to pay this higher premium (the penalty) as long as you have Medicare prescription drug coverage.

For example, if 19 months pass where you do not have creditable prescription drug coverage before you decide to join Medicare's drug coverage your monthly premium will *always* be at least 19% higher than the Medicare base beneficiary premium. Additionally, if you go 63 days or longer without prescription drug coverage you may also have to wait until the next November to enroll for Medicare prescription drug coverage.

If you enroll in Part D by accident, you should contact the Bay Area Delivery Drivers Security Fund Plan at 1-800-654-1824 to cancel that enrollment and restore Fund coverage.

Because your Bay Area Delivery Drivers Security Fund Plan prescription drug coverage is “creditable” and Medicare is not paying for your prescriptions, Medicare will reimburse the Fund for a portion of the drug claims it pays for Medicare-eligible Plan participants. If you enroll in a Medicare Part D program the Bay Area Delivery Drivers Security Fund loses this subsidy and your drug coverage costs will go up. **THEREFORE, IF YOU ENROLL IN A MEDICARE PART D PROGRAM YOUR BAY AREA DELIVERY DRIVERS SECURITY FUND PRESCRIPTION DRUG COVERAGE WILL BE TERMINATED.** So *think carefully* before you enroll in a Medicare Part D Program outside of the Bay Area Delivery Drivers Security Fund and consider whether the outside program is worth it if it means losing your Bay Area Delivery Drivers Security Fund prescription drug coverage.

### **DO NOT ENROLL IN MEDICARE PART D IF YOU INTEND TO KEEP YOUR BAY AREA DELIVERY DRIVERS PRESCRIPTION DRUG COVERAGE**

**This notice only applies to Medicare Part D: IF YOU ARE RETIRED THE FUND STILL REQUIRES YOU TO ENROLL IN MEDICARE PARTS A & B AS SOON AS YOU BECOME MEDICARE-ELIGIBLE.**

#### ***Questions & Answers***

*Question:* Do I need to do anything now?

*Answer:* No, you keep on using your Fund prescription drug benefits through OptumRx.

*Question:* Can I enroll in Medicare Part D?

*Answer:* Yes, but you will have to give up your Bay Area Delivery Drivers prescription drug coverage.

*Question:* Why can't I have both Bay Area Delivery Drivers *and* Medicare Part D coverage if I am willing to pay for it?

*Answer:* Because of the way Medicare structures drug coverage you must choose between one or the other.

*Question:* Will I pay more out-of-pocket if I enroll in Medicare Part D and lose my Fund prescription drug coverage?

*Answer:* Yes. Your Plan has no prescription deductible (the amount you must pay before your health plan pays anything), however if you are an Active employee enrolled in Kaiser you are responsible for a prescription drug co-payment of \$5.00 for which you can seek reimbursement from the Fund. Medicare prescription drug plans (“PDP”) are not all the same. While some do not have a deductible, others have a deductible, which may be as much as \$400 in 2017. To consider the change to your out-of-pocket costs you will need to also compare how different PDPs differ, such as:

- PDPs may have different premium amounts;
- PDPs cover different brand name drugs at different costs to you;
- PDPs may have different prescription drug deductibles and different drug copayments;
- PDPs may have different networks for retail pharmacies and mail order services.

*Question:* Do I need to keep this notice and, if so, why?

*Answer:* Yes, because if you lose your Fund coverage and decide to enroll in Medicare Part D within two months of losing coverage, you can use this notice to avoid having to pay a late enrollment penalty.

*For more information about this notice or your current prescription drug coverage, contact the Plan Administrator.*

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 your coverage changes. You may also request a copy.

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 prescription drug plans.

For more information about Medicare prescription drug plans:

- 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.
- For people with limited income and resources, extra help paying for a Medicare prescription drug plan is available. Information regarding this program is available through the Social Security Administration. For more information about this extra help, visit [www.socialsecurity.gov](http://www.socialsecurity.gov) or call 1-800-772-1213 (TTY 1-800-325-0778).

#### **Para más información sobre sus opciones bajo la cobertura de Medicare para recetas médicas.**

Revise el manual “Medicare Y Usted” para información más detallada sobre los planes de Medicare que ofrecen cobertura para recetas médicas. Visite [www.medicare.gov](http://www.medicare.gov) por el Internet o llame GRATIS al 1 800 MEDICARE (1-800-633-4227). Los usuarios con teléfono de texto (TTY) deben llamar al 1-877-486-2048. Para más información sobre la ayuda adicional, visite la SSA en línea en [www.socialsecurity.gov](http://www.socialsecurity.gov) por Internet, o llámeles al 1-800-772-1213 (Los usuarios con teléfono de texto (TTY) deberán llamar al 1-800-325-0778).

ATENCIÓN: si habla español, tiene a su disposición servicios gratuitos de asistencia lingüística. Llame al 1-(800) 654-1824.

**Keep this notice – If you leave the Bay Area Delivery Drivers Security Fund Plan and want to enroll in a Medicare Part D plan after you may need this notice to show that you have maintained creditable coverage and are not required to pay a higher premium.**

*The Board of Trustees of the Bay Area Delivery Drivers Security Fund, (1) may modify or eliminate (without prior notice to you) any benefits and the eligibility requirements for benefits provided by the Plans described in this notice, and (2) has the authority and discretion to interpret the plan of benefits and make final determinations regarding the plans and how benefits are paid. No benefits are guaranteed.*