

BAY AREA AUTOMOTIVE GROUP WELFARE 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 be soon), read this notice. If you are not now eligible for Medicare and will not become eligible in 2024 you can ignore this notice.

To All Bay Area Automotive Fund Medicare-Eligible Participants, Spouses and Dependents:

When you are eligible for Medicare, you are also eligible for Medicare's prescription drug benefit "**Medicare Part D**." From now until the end of the year you can expect to hear from the federal government and the news media about how important it is to enroll in Medicare Part D. You are also likely to hear from private companies hoping to enroll you in their Medicare Part D program.

YOUR CURRENT BAY AREA AUTOMOTIVE PRESCRIPTION DRUG COVERAGE (or your coverage under an HMO through the Fund) PROVIDES COVERAGE AT LEAST AS GOOD, ON AVERAGE, AS MEDICARE PART D.** The federal Centers for Medicare and Medicaid Services (CMS) will consider your coverage under the Trust Fund to be "creditable," which means that, on average, the Fund will pay as much or more for your prescription drug coverage than Medicare would pay if you enrolled in a Part D program. 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 your coverage under the Bay Area Automotive Fund. Because your coverage under the Fund is "creditable," if you decide to enroll in Part D in the future – because, for example, your Bay Area Automotive coverage terminates – you will not be penalized for late enrollment in Part D.

If your Bay Area Automotive coverage ends, you will have 62 days to enroll in Medicare Part D without incurring a late enrollment premium. If you go 63 days or longer without prescription drug coverage that is at least as good as Medicare's prescription drug coverage, when you do apply for Medicare Part D your monthly premium will go up at 1% per month for every month that you did not have that coverage. For example, if you go nineteen months without coverage, your Medicare Part D premium will always be 19% higher than if you had enrolled within 62 days of losing your Bay Area Automotive coverage.

- **IF YOU ARE A RETIREE ENROLLED IN KAISER'S "SENIOR ADVANTAGE" PLAN AND ENROLL IN A MEDICARE PART D PROGRAM, MEDICARE WILL TERMINATE YOUR MEDICAL COVERAGE AND YOU WILL LOSE YOUR SENIOR ADVANTAGE COVERAGE – both medical and prescription drug coverage.**
- **IF YOU ARE MEDICARE-ELIGIBLE BUT NOT ENROLLED IN KAISER AND ENROLL IN A MEDICARE PART D PROGRAM, YOUR BAY AREA AUTOMOTIVE PRESCRIPTION DRUG COVERAGE WILL CONTINUE BUT YOUR COSTS WILL INCREASE. IT IS RARELY TO YOUR ADVANTAGE TO ENROLL IN MEDICARE PART D WHILE YOU ARE COVERED BY THE FUND'S PRESCRIPTION DRUG PLAN.**

- **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 you become Medicare-eligible.**

** Medicare Part D programs are likely to differ in the drugs they cover and how much is paid for ‘brand name’ versus ‘generic’ drugs. Bay Area Automotive drug coverage is not restricted to a “formulary” or list of covered and non-covered drugs, but for certain drugs a Medicare Part D program outside of the Fund may pay more than the Fund would pay. That’s why this notice says your Bay Area Automotive coverage is “as good, on average, as Medicare Part D.” If you have drug coverage through the Fund under your HMO your coverage may be subject to other restrictions but remains “as good, on average, as Medicare Part D.”

Questions & Answers

Question: Do I need to do anything now?

Answer: No, you keep on using your Fund prescription drug benefits through *OptumRx* (or your HMO, if you are enrolled in an HMO).

Question: If I am NOT enrolled in Kaiser Senior Advantage can I enroll in Medicare Part D and if I do what happens to my Bay Area Automotive Fund prescription drug coverage?

Answer: Yes, but if you enroll in Medicare Part D you will have to pay a premium for Part D coverage (which can be deducted monthly from your Social Security check) *and* you will have to continue paying for Bay Area Automotive drug coverage in addition to your payments for Medicare Part D coverage. If you do enroll in Medicare Part D, Medicare will be the primary payer and the Fund secondary.

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 directly you can use this notice to avoid having to pay a late enrollment penalty.

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
- 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 or call 1-800-772-1213 (TTY 1-800-325-0778).

Keep this notice – If you leave the Bay Area Automotive Fund and want to enroll in a Medicare Part D plan, you may be required to provide a copy of this notice when you join to show that you have maintained creditable coverage and are not required to pay a higher premium for Medicare Part D coverage.