



MICHIGAN ELECTRICAL EMPLOYEES' HEALTH PLAN



October 14, 2013

IMPORTANT NOTICE

TO: ALL PARTICIPANTS IN THE MICHIGAN ELECTRICAL EMPLOYEES' HEALTH PLAN OF BENEFITS FOR ACTIVE EMPLOYEES EARLY AND DISABLED RETIREES AND ELIGIBLE DEPENDENTS

RE: PRESCRIPTION DRUG COVERAGE AND MEDICARE

Dear Participant:

This notice is for all persons covered under the Plan's benefits for Active Employees, Early and Disabled Retirees (E&D Retirees) and their dependents eligible for Medicare, even if Medicare is not the person's primary health plan. The information in this notice applies only to participants and dependents who are eligible for Medicare or who become eligible for Medicare during 2014.

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 Michigan Electrical Employees' Health Plan (the Plan) 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 (also called Medicare Part D) 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 Michigan Electrical Employees' Health Plan has determined that the prescription drug coverage offered by the Plan for active employees, E&D Retirees and their dependents is, on average for all plan participants, expected to pay out as much as the standard Medicare prescription drug coverage pays and is therefore 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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6525 Centurion Drive • Lansing, MI 48917-9275
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www.mielectricalhealth.org

However, if you participate only in the Special Fund, the Special Fund does not provide Creditable Coverage and you may pay a higher premium if you do not join a Medicare drug plan when you first become eligible.

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 October 15th through December 7th. Enrollment in a Medicare Part D Plan is completely voluntary.

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?

E & D Retirees and Their Dependents

If upon becoming entitled to Medicare you decide to enroll in a Medicare Part D prescription drug plan, your Michigan Electrical Employees' Health Plan medical and prescription drug coverage will terminate and you will not be eligible for other Plan coverage. **YOU CANNOT HAVE PRESCRIPTION DRUG AND MEDICAL COVERAGE THROUGH BOTH THIS PLAN AND MEDICARE AND A PART D DRUG PLAN.** This Plan will not coordinate its prescription drug benefits with Medicare Part D plans, and will not provide drug coverage to supplement a Medicare Part D plan.

If you do decide to enroll in a Medicare Part D drug plan and drop your current Michigan Electrical Employees' Health Plan coverage, you may opt back into coverage so long as you provide proof that you had continuous health coverage during your opt-out period and otherwise satisfy the Plan's eligibility requirements.

Active Employees and Their Dependents

If Medicare is or will become your secondary health care plan, you can enroll in a Medicare Part D plan and still be eligible to receive all of your current health and prescription drug benefits through the Plan. However, having both drug coverages does not mean (1) that you will have better benefits than you currently have or (2) that you will not have any out-of-pocket prescription drug expenses.

- Since this Plan is primary to Medicare in most cases, this Plan will pay its normal benefits and your Medicare plan's duplicate coverage rules will determine its benefit level. Various Medicare Part D plans may have different rules.
- You should be aware that having two prescription drug plans could have an effect on whether you reach the Medicare plan's catastrophic coverage level. That is because standard Medicare Part D plans are only required to count your actual out-of-pocket costs when determining when you reach the catastrophic coverage level. Drug costs that are paid by this Plan do not qualify as out-of-pocket expenses.

You must notify the Plan Office before you terminate your Medicare Part D drug plan coverage.

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Notwithstanding the above, if you or your dependents participate in the Plan's Special Fund and not in other Plan coverage, the Special Fund does not provide Creditable Coverage. In this case, you may pay a higher premium (a penalty) if you do not join a Medicare drug plan when you first become eligible.

If Medicare is or will become your primary plan, please contact the Plan Office for more information on how your Plan coverage, including coverage with the new Medicare Advantage program provided by the Plan (instead of the Supplement to Medicare Plan) will affect your Plan coverage..

You must notify the Plan Office before you enroll in your Medicare Part D drug plan coverage.

WHAT HAPPENS IF YOU DO NOT JOIN A MEDICARE PART D DRUG PLAN?

You do not have to enroll in a Medicare drug plan. Enrollment in a Medicare Part D Plan is completely voluntary. If you choose not to enroll in a Medicare Part D drug plan, your prescription drug benefits will be provided under the Michigan Electrical Employees' Health Plan. If you do not want to join a Medicare Part D drug plan, you do not have to do anything at this time.

WHEN WILL YOU PAY A HIGHER PREMIUM (PENALTY) TO JOIN A MEDICARE PART D DRUG PLAN?

You should also know that if you drop or lose your current coverage with the Michigan Electrical Employees' Health Plan and don't 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. Because the Special Fund is non-Creditable Coverage, if you only participate in the Special Fund and don't join a Medicare drug plan, you will pay a higher premium (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 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 October to join with a January effective date.

FOR MORE INFORMATION ABOUT THIS NOTICE OR YOUR CURRENT PRESCRIPTION DRUG COVERAGE... Contact the Plan Office at 1-855-633-4584 for further information. Note: You'll get this notice each year. You will also get it before the next period you can join a Medicare drug plan, and if this coverage through the Michigan Electrical Employees' Health Plan changes. You also may request a copy of this notice at any time.

FOR MORE INFORMATION ABOUT YOUR OPTIONS UNDER MEDICARE PRESCRIPTION DRUG COVERAGE...

For 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.

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For more information about Medicare prescription drug coverage:

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

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Benefits under the Michigan Electrical Employees’ Health Plan are not vested or guaranteed. The Plan’s Trustees reserve the right to modify or terminate benefits, in whole or in part. The terms of the Plan document identify your benefit rights; to the extent of any inconsistency between the terms of the plan document and this notice, the plan document controls.

Sincerely,

Michigan Electrical Employees’ Health Plan
Board of Trustees

Contact Person: Karri Howe
Address: 6525 Centurion Drive • Lansing, MI 48917-9275
Phone: 1-855-633-4584

**SAVE THIS LETTER AS IT IS YOUR MEDICARE PART D
CERTIFICATE OF CREDITABLE COVERAGE**

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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