

Medicare Part D NON-CREDITABLE Coverage Disclosure Notice for 2020

Important Notice from the AGC Health Benefit Trust - Oregon Columbia Chapter About Your Prescription Drug Coverage and Medicare

If you or a covered family member are, or will soon become, Medicare Part D eligible, please read this notice carefully and keep it with your records. This notice has information about your current prescription drug coverage with AGC Health Benefit Trust - Oregon Columbia Chapter and about your options under Medicare's prescription drug coverage. This information can help you decide whether 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 three 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 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. Regence BlueCross BlueShield of Oregon has determined that the prescription drug coverage offered with the HSA 6550 plan through AGC Health Benefit Trust - Oregon Columbia Chapter, on average for all plan participants, is NOT expected to pay out as much as the standard Medicare prescription drug coverage pays. Therefore, coverage through HSA 6550 is considered NON-CREDITABLE coverage. This is important because, most likely, you will get more help with your drug costs if you join a Medicare drug plan, than if you only have prescription drug coverage from the HSA 6550. This also is important because it may mean that you may pay a higher premium (a penalty) if you do not join a Medicare drug plan when you first become eligible.
3. You can keep your current coverage from AGC Health Benefit Trust. However, because your coverage is non-creditable, you have decisions to make about Medicare prescription drug coverage that may affect how much you pay for that coverage, depending on if and when you join a drug plan. When you make your decision, you should compare your current coverage, including what drugs are covered, with the coverage and cost of the plans offering Medicare prescription drug coverage in your area. Read this notice carefully – it explains your options.

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 to December 7th.

However, if you decide to drop your current coverage with AGC Health Benefit Trust, since it is employer/union sponsored group coverage, you will be eligible for a two (2) month Special Enrollment Period (SEP) to join a Medicare drug plan; however, you may also pay a higher premium (a penalty) because you did not have creditable coverage under HSA 6550.

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

Since the coverage under HSA 6550 is not creditable, depending on how long you go without creditable prescription drug coverage you may pay a penalty to join a Medicare drug plan. Starting with the end of the last month that you were first eligible to join a Medicare drug plan but didn't join, if you go 64 continuous days or longer without prescription drug coverage that's creditable, 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 (penalty) as long as you have Medicare prescription drug coverage. In addition, you may have to wait until the following October to join.

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 current coverage through AGC Health Benefit Trust will not be affected.

However, if you do decide to join a Medicare drug plan and drop your current coverage through the Trust, please be aware that you and your dependents may not be able to get this coverage back until open enrollment. Contact the Trust office for more information if necessary.

For More Information About This Notice or Your Current Prescription Drug Coverage:

Call the Customer Service number on the back of your ID card. You will receive this notice annually and at other times in the future, such as before the next period you can enroll in Medicare drug coverage and if your current coverage through the Trust should change. You also may request a paper 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 is in the "Medicare & You" handbook. When you become Medicare eligible, you will be mailed a copy of the handbook 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 Medicare prescription drug coverage is available. For more information about this extra help, visit Social Security online at www.socialsecurity.gov, or by phone at 1-800-772-1213 (TTY 1-800-325-0778).

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