



Alaska Electrical Trust Funds

PENSION FUND – HEALTH AND WELFARE FUND – LEGAL FUND
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November 15, 2007

Notice of Creditable Coverage

Important Notice from Alaska Electrical Health and Welfare Fund About Your Prescription Drug Coverage and Medicare

Please read this notice carefully and keep it where you can find it. This notice has information about your current prescription drug coverage with Alaska Electrical Health and Welfare Fund and about your options under Medicare's prescription drug coverage. It also tells you where to find more information to help you make decisions about your prescription drug coverage. **If you are not currently, or soon to be, eligible for Medicare, this notice does not apply to you.**

- 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. Alaska Electrical Health and Welfare Fund has determined that the prescription drug coverage offered by the Fund Plan is, on average for all plan participants, expected to pay out at least as much as the standard Medicare prescription drug coverage pays and is considered Creditable Coverage.**

The Alaska Electrical Health and Welfare Fund has determined that your prescription drug coverage under the Plans listed below is, on average for all plan participants covered by these Plans, expected to pay out at least as much as the standard Medicare prescription drug coverage will pay:

- Active plans 500, 551, 552, 553, 554, 555 and 556
- Retiree plans 583, 584, 585, 588 and 589

Because your existing coverage is, on average, at least as good as standard Medicare prescription drug coverage, you can keep this coverage and not pay extra if you later decide to enroll in Medicare coverage.

People with Medicare can enroll in a Medicare prescription drug plan from November 15th through December 31st. This may mean that you have to wait to join a Medicare drug plan and that you may pay a higher premium (a penalty) if you join later. You may have to pay that higher premium as long as you have Medicare prescription drug coverage. However, if you lose creditable prescription drug coverage, through no fault of your own, you will be eligible for a sixty (60) day Special Enrollment Period (SEP) because you lost creditable coverage to join a Part D plan.

If you do decide to enroll in a Medicare prescription drug plan, your prescription drug coverage through the Alaska Electrical Health and Welfare Fund will be terminated, and be aware that you may not be able to get this coverage back.

The Alaska Electrical Health and Welfare Fund plans include a retail prescription drug program and a mail order prescription drug program.

- For prescriptions obtained at a retail pharmacy, you can obtain up to a 30-day supply of a covered prescription medication for a copay of:
 - \$15 for a generic medication
 - \$35 for a brand name medication if a generic is not available, or
 - 100% for a brand name medication if generic is available and you choose the brand instead.

- You are also able to use the mail order program, and receive up to a 90-day supply of medication for a copay of:
 - \$30 for a generic medication
 - \$70 for a brand name medication if a generic is not available, or
 - 100% for a brand name medication if a generic is available and you choose the brand instead.

- Your total copay amounts are limited to \$750 per person per calendar year, or \$1,500 per family per calendar year. Copays for generic medications and brand name medications taken when no generic is available will apply to this prescription drug copay limit, for those prescriptions obtained at participating retail and mail order pharmacies. Once the total amount of your applicable copays reaches the per person or per family limit, the Fund pays 100% of the allowable expenses for the remainder of the calendar year.

You should also know that if you drop or lose your coverage with Alaska Electrical Health and Welfare Fund and don't enroll in Medicare prescription drug coverage within 63 contiguous days after your current coverage ends, you may pay a higher premium (a penalty) to join later. If you go 63 days or longer without prescription drug coverage that's at least as good as Medicare's prescription drug coverage, your monthly premium may go up at least 1% per month for every month that you did not have that coverage. For example, if you go nineteen months without coverage, your premium may always be at least 19% higher than what most other people pay. You'll have to pay this higher premium as long as you have Medicare coverage. In addition, you may have to wait until the next November to enroll.

**For more information about this notice or
your current prescription drug coverage...**

Contact the administration office at (907) 276-1246 or (800) 478-1246 if you have any questions regarding this notice. NOTE: You may receive this notice at other times in the future such as before the next period you can enroll in Medicare prescription drug coverage, and if this coverage changes. You also may request a copy.

**For more information about your options under
Medicare prescription drug coverage...**

More detailed information about Medicare plans that offer prescription drug coverage is available in the "Medicare & You" handbook. You'll get a copy of the handbook in the mail from Medicare. You can also get more information about Medicare prescription drug plans from these places:

- Visit www.medicare.gov for personalized help
- Call your State Health Insurance Assistance Program (see your copy of the Medicare & You handbook for their telephone number)
- 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 about this extra help is available from the Social Security Administration (SSA). For more information about this extra help, visit SSA online at www.socialsecurity.gov, or call them at 1-800-772-1213 (TTY 1-800-325-0778).

Remember: Keep this notice. If you decide to join one of the Medicare drug plans, you may be required to give a copy of this notice when you join to show whether or not you have maintained creditable coverage and whether or not you are required to pay a higher premium.

Date: November 15, 2007

Name of Entity/Sender: Alaska Electrical Health and Welfare Fund

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