



# Alaska Electrical Trust Funds

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

## **\*Notice of Non-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. This information can help you decide whether or not you want to join a Medicare drug plan. Information about where you can get help to make decisions about your prescription drug coverage is at the end of this notice. **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 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 520 is, on average for all plan participants, NOT expected to pay out as much as the standard Medicare prescription drug coverage pays and 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 Alaska Electrical Health and Welfare Fund Plan 520.***
- 3. 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 enroll. Read this notice carefully - it explains your options.**

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Consider joining a Medicare drug plan. You can keep your coverage from the Alaska Electrical Health and Welfare Fund. You can keep the coverage regardless of whether it is as good as a Medicare drug plan. However, because your existing coverage is, on average, NOT at least as good as standard Medicare prescription drug coverage, you may pay a higher premium (a penalty) if you later decide to join a Medicare drug plan.

You can join a Medicare drug plan when you first become eligible for Medicare and each year from November 15th through December 31st. This may mean that you may 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 pay that higher premium ( a penalty ) as long as you have Medicare prescription drug coverage. *However, if you lose or decide to leave employer/union sponsored coverage, you will be eligible to join a Part D plan at that time using an Employer Group Special Enrollment Period.*

You need to make a decision.

When you make your decision, you should compare your current coverage, including which drugs are covered, with the coverage and cost of the plans offering Medicare prescription drug coverage in your area.

The Alaska Electrical Health and Welfare Fund Plan 520 pays 20% of the cost of Generic drugs and Brand drugs (if a Generic is not available).

**If you do decide to join 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 and your dependents may not be able to get this coverage back.**

You should also know that if you drop or lose your coverage with Alaska Electrical Health and Welfare Fund 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.

If you go 63 continuous 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 by at least 1% of the base beneficiary premium per month for every month that you did not have that coverage. For example, if you go nineteen months without coverage, your premium may consistently be at least 19% higher than the 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 November to join.

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

Contact the administration office at (907) 276-1246 or (800) 478-1246. 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](http://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](http://www.socialsecurity.gov), or call them at 1-800-772-1213 (TTY 1-800-325-0778).

**Date:** November 15, 2007  
**Name of Entity/Sender:** Alaska Electrical Health and Welfare Fund  
**Contact – Position/Sender:** Administration Office  
**Address:** 2600 Denali, Suite 200  
Anchorage, AK 99503-2782  
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