



Alaska Electrical Trust Funds

PENSION FUND – HEALTH AND WELFARE FUND – LEGAL FUND
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Notice of Creditable Coverage

Important Notice from the 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 the 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. 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 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 Alaska Electrical Health and Welfare Fund has determined that the prescription drug coverage offered by the Fund's plans listed below is, on average for all plan participants, expected to pay out as much as standard Medicare prescription drug coverage pays and is therefore considered Creditable Coverage.
 - Active plans 500, 551, 552, 553, 554
 - Retiree plans 521, 522, 523, 524, 525 and 526

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.

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 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?

If you decide to join a Medicare drug plan, your current Alaska Electrical Health and Welfare Fund coverage will be affected. The Alaska Electrical Health and Welfare Fund plans include a retail prescription drug program and a mail order prescription drug program. Effective July 1, 2018, the Fund moved to a formulary-based prescription benefit. The formulary is accessible at www.caremark.com/acddruglist.

- 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:
 - \$0 for Affordable Care Act preventive drugs.
 - \$15 for a formulary generic medication, or
 - \$35 for a formulary preferred brand name medication,
 - \$50 for a non-formulary brand or non-preferred brand name medication, or
 - 100% for a formulary exclusion or 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:
 - \$0 for Affordable Care Act preventive drugs.
 - \$30 for a formulary generic medication, or
 - \$70 for a formulary preferred brand name medication, or
 - \$100 for a non-formulary brand or non-preferred brand name medication, or
 - 100% for a formulary exclusion or brand name medication if a generic is available and you choose the brand instead.
- The Plan limits the quantity of diabetic test strips dispensed at one time. The limit will accommodate recommended testing guidelines by the American Diabetes Association (ADA). Your doctor may request higher limits from CVS/Caremark.
- Non-specialty drugs exceeding \$1,500 in cost will be reviewed by a Consultant Pharmacist to help ensure appropriate use and billing (dose, quantity, days' supply, charged amounts) or to discuss possible alternatives. You, your doctor or pharmacy may be contacted by a Consultant Pharmacist.
- Your total copay amounts are limited to \$750 per person per calendar year, or \$1,500 per family per calendar year. Your copay for a medication that is a formulary exclusion or brand name medication if a generic is available will not apply to this prescription drug copay limit. 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.

If you do decide to join a Medicare drug plan and drop your current Alaska Electrical Health and Welfare Fund coverage, be aware that you and your dependents may not be able to get this coverage back.

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

You should also know that if you drop or lose your current coverage with the 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 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.

For More Information About This Notice Or Your Current Prescription Drug Coverage...

Contact the Administration Office for further information at (907) 276-1246 or (800) 478-1246.

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 Alaska Electrical Health and Welfare Fund changes. You also may request a 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. 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.

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

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).

Date: 2018

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

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