



Alaska Electrical Trust Funds

PENSION FUND – HEALTH AND WELFARE FUND – LEGAL FUND
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To: Medicare Eligible Retirees, Spouses and Dependents

The Alaska Electrical Health & Welfare Fund (the Fund) is changing the way you receive prescription drug benefits. Beginning January 1, 2020 the Fund will enroll all Medicare eligible retirees, spouses and dependents in a new group Medicare Part D Prescription Drug Plan (PDP) through SilverScript® Insurance Company, which is affiliated with CVS Caremark®, the Fund's pharmacy benefit manager. This new plan (referred to as the new SilverScript plan) is a Medicare Part D Prescription Drug Plan exclusively for retirees, spouses and dependents who are eligible for Medicare.

In addition to the new SilverScript plan, the Fund will provide additional prescription drug coverage that will close the gaps between the new SilverScript plan and the Fund's current prescription drug benefit. While there will be some changes to the drug formulary, the new SilverScript plan and the additional coverage provided by the Fund are designed to minimize any potential disruption to your benefits.

Here are some key things to be aware of:

- If you currently have Medicare prescription drug coverage through the Fund:
 - 1) Your current prescription drug coverage will continue until January 1, 2020.
 - 2) You will automatically be enrolled in the new SilverScript plan effective January 1, 2020.
- You will have the right to opt-out of the new SilverScript plan. However, **if you choose to opt-out of the new SilverScript plan you will lose your prescription drug coverage through the Fund**, and your monthly contribution for medical coverage will not change.
- Prescription drug benefits will be similar to your current plan, and the current copay structure and out-of-pocket maximum will not be changing.
- For covered drugs, you will not have a deductible for prescription drugs, and there will not be a Medicare coverage gap or "donut hole".
- A few drugs may move to a different copay tier and/or no longer be covered due to formulary changes. You will receive an updated formulary list from SilverScript prior to January 1, 2020.
- New prior authorizations may be required for some prescriptions. If required, you will receive a letter from SilverScript in December with instructions on how to obtain the prior authorization.

- You will have access to a broad network of pharmacies, similar to today.
- If your spouse or dependent child is currently covered through the Fund, but is not yet eligible for Medicare, they will continue to have coverage through the Fund. It will be important that everyone in your family use their own ID card when filling prescriptions beginning January 1, 2020.
- Between now and January 1, 2020 you will be receiving information regarding the new SilverScript plan, including a new ID card, from SilverScript. Make sure you read all information carefully and keep it with your other benefit materials.

Because the new SilverScript plan is a Medicare Part D plan, you will receive notifications required by the Centers for Medicare and Medicaid Services (CMS) that you may not have received in the past, such as monthly statements about your drug costs. Much of the information the new SilverScript plan will send you is required by CMS. It refers to the SilverScript plan portion of your coverage only, not the additional coverage provided by the Fund. Many of these documents use general language that is not specifically designed to communicate the Fund's benefits.

Why is the Fund making this change? Due to recent changes in Medicare Part D rules, the Fund can take advantage of more favorable subsidies with this new SilverScript plan.

Attached is an FAQ document that contains more detailed information regarding the new SilverScript plan.

Sincerely,

Board of Trustees

Enclosure

FREQUENTLY ASKED QUESTIONS (FAQs) About Your New Retiree Prescription Drug Plan

On January 1, 2020, SilverScript Employer PDP (SilverScript) sponsored by the Alaska Electrical Health and Welfare Fund (the Fund), will be the new prescription drug plan for Medicare eligible Fund participants who reside in the United States or its territories. These FAQs will answer many of the questions asked by retirees.

If you have any additional questions or need more information, contact:

SilverScript® Customer Care	If you have any questions about Medicare Part D or SilverScript, you would like to find out if your drug is covered, or to identify the locations of network pharmacies near where you live or are traveling.
Alaska Electrical Health & Welfare Fund 701 E Tudor Ste. 200 Anchorage, AK 99503 (907) 276-1246 (800) 478-1246	If you have questions about eligibility, how to enroll in the plan, or your premium.

Q1: What is SilverScript Employer PDP sponsored by the Alaska Electrical Health and Welfare Fund

A1: SilverScript Employer PDP (SilverScript) sponsored by the Alaska Electrical Health and Welfare Fund (the Fund) is a group Medicare Part D prescription drug plan with additional coverage provided by the Fund. SilverScript® Insurance Company, affiliated with CVS Caremark®, has a contract with Medicare, and administers the plan.

To be eligible for SilverScript, you must:

- Be eligible for Medicare Part A and/or enrolled in Medicare Part B;
- Live in the SilverScript service area which is the United States and its territories, or live temporarily outside the service area for no more than 12 months;
- Meet and maintain the Fund's eligibility requirements for the plan.

Q2: What is Medicare Part D?

A2: Medicare Part D is Medicare prescription drug coverage that helps to cover the cost of prescription drugs for anyone who is eligible for Medicare Part A and/or enrolled in Medicare Part B. It is provided through private insurance companies, plans, or retiree plans, like the plan sponsored by the Alaska Electrical Health and Welfare Fund.

To qualify for a Medicare Part D plan, you must

- Be eligible for Medicare Part A and/or enrolled in Medicare Part B, and
- Be a U.S. citizen or permanent resident of the United States, and
- Live in the plan's service area which is the United States and its territories.

Q3: What happens if I live outside the service area or overseas?

A3: The service area for this plan is the United States and the U.S. territories, the full area allowed by Medicare. If you live outside this service area, you are not eligible for Medicare Part D and cannot be enrolled in this plan.

Q4: What benefits are provided by the additional coverage sponsored by the Alaska Electrical Health & Welfare Fund?

A4: The additional coverage sponsored by the Fund fills the gap between the standard Medicare Part D plan and your current coverage, such as:

- Paying the difference in cost between your current copay and what a standard Medicare Part D plan would pay.
- Provides coverage during the coverage gap or donut hole.
- Covering certain drugs that are not covered by Medicare Part D.

Q5: How do I enroll in the plan?

A5: You will automatically be enrolled in the plan by the Alaska Electrical Health and Welfare Fund if you are eligible for coverage from the Fund and eligible for Medicare.

Q6: What information will the Fund need to enroll me in the plan?

A6: You will be contacted if the Fund needs any information to enroll you in the plan, such as your Medicare Number from your red, white and blue Medicare Insurance card.

Q7: What if I don't have a Medicare Number?

A7: If you do not have a Medicare Number, you will need to enroll in Medicare Part A and/or Medicare Part B, when you become eligible, before you can be enrolled in Medicare Part D.

Q8: When does my coverage in SilverScript start?

A8: Your coverage in SilverScript will begin on **January 1, 2020**, if you are currently eligible for Medicare and enrolled in retiree coverage through the Fund.

There will be **no interruption in your prescription drug coverage**. You will remain in your current plan through December 31, 2019. On January 1, 2020, your coverage through SilverScript begins.

Q9: Will I get a new ID card?

A9: Yes, you will get a new SilverScript ID card after your enrollment is accepted by Medicare. This ID card will have your unique ID number.

Q10: What if I don't receive my SilverScript ID card by January 1, 2020? How do I get my prescriptions filled?

A10: At the top of the letter you will receive from SilverScript in October, you will see information that your pharmacist needs to fill your prescription.

Please contact SilverScript and tell them that you have not received your card.

Q11: Why are my spouse and I both receiving information from SilverScript?

A11: Medicare is an individual benefit. That means that every person has his or her own account with SilverScript. Each person in your family who is eligible for Medicare will each receive his or her own documents and his or her own ID card from SilverScript.

When you get your prescriptions filled, make sure to use your own ID card; your spouse needs to use his or her own ID card to get his or her prescriptions filled.

Q12: What happens to my spouse or child who has coverage through the Alaska Electrical Health and Welfare Fund but is not eligible for Medicare?

A12: Your spouse or child who has coverage through the Fund but is not yet eligible for Medicare will continue to have coverage through the Fund.

Q13: Is it possible to be enrolled in Tricare for Life and SilverScript?

A13: Yes, you can be enrolled in both programs but because the federal government does not allow you to receive benefits from more than one government program at the same time, your benefit from Tricare may be limited.

SilverScript cannot coordinate with Tricare. If you want any coverage under SilverScript, including the additional coverage provided by the Fund, you need to fill your prescription using your SilverScript ID card. Later, you can submit a claim to Tricare for reimbursement of any remaining amount that Tricare can or will cover.

You may want to check with Tricare to find out what they will cover after payment has been made by a Medicare Part D plan.

Q14: What happens if I don't want to be enrolled in SilverScript? Can I keep my current retiree prescription drug coverage?

A14: SilverScript is the only prescription drug plan available for Medicare eligible enrollees of the Alaska Electrical Health and Welfare Fund after January 1, 2020. If you decide to opt out of SilverScript coverage you will lose your prescription drug coverage through the Fund. Your monthly contribution for medical coverage through the Fund will not change. If you decide to opt out of SilverScript coverage, please contact the Fund Office.

Q15: Which pharmacies can I use?

A15: SilverScript has a network of more than 66,000 pharmacies and a mail order pharmacy, CVS Caremark Mail Service Pharmacy™.

To find a pharmacy near your home or another location in the United States or U.S. territories, you may use the pharmacy locator tool at Caremark.com.

Q16: May I continue to get my prescriptions filled at a Veterans Affairs (VA) pharmacy?

A16: No. VA pharmacies cannot be included in Medicare Part D plan networks. The federal government does not allow you to receive benefits from more than one government program at the same time.

If you are eligible for VA benefits, you may still use VA pharmacies under your VA benefits. However, the cost of those medications and what you pay out-of-pocket will not count toward your Medicare out-of-pocket costs or Medicare total drug costs. Each time you get a prescription filled, you can compare your SilverScript benefit to your VA benefit to determine the best option for you.

Q17: May I get my prescriptions filled at a pharmacy that is not part of SilverScript's pharmacy network?

A17: Yes, but prescriptions should be filled at out-of-network pharmacies only in an emergency or in a non-routine circumstance, such as having no network pharmacies within a reasonable driving distance.

If you use an out-of-network pharmacy within the service area, you may have to pay the full cost for your prescription and submit a paper claim with your itemized receipt to SilverScript for reimbursement. You will be reimbursed the plan's share of the cost.

Q18: I regularly travel overseas. Will I be able to get my prescriptions filled before I leave?

A18: Yes. If you need to get your prescription filled while you are traveling outside the country, contact SilverScript Customer Care **before** you leave the U.S. You can request a vacation override for up to a 90-day supply of your medication and get the prescription filled before you leave the country.

Q19: What is a formulary?

A19: A formulary is a list of drugs covered by the plan. In the case of SilverScript, it is the list of drugs covered by the Medicare Part D portion of the plan. It includes both brand name and generic drugs selected by the plan with the help of doctors and pharmacists.

Q20: What if my drug is not in the formulary?

A20: Through the additional coverage sponsored by the Fund, you may be covered for drugs that are not on the SilverScript formulary. If your drug is not listed in the SilverScript Abridged Formulary that you will receive in your Welcome Kit, you can call SilverScript Customer Care to find out if it is covered. After you have been enrolled in the plan, you can register on Caremark.com to check drug cost and pricing.

Q21: What should I do if I get a letter saying that I am taking a drug not covered by SilverScript?

A21: Call SilverScript Customer Care to find out if your drug is covered by the additional coverage sponsored by the Fund.

If your drug is not on the SilverScript formulary, SilverScript is required by Medicare to send you a letter, even if your medication is covered by the Fund.

Q22: When do I need to get a prior authorization (PA)?

A22: You may need to get a new prior authorization from SilverScript if you are currently taking a drug that will require a prior authorization. You will receive a letter from SilverScript in December with instructions on how to obtain the prior authorization.

Q23: What do I need to do if my drug can be covered under Part B or Part D?

A23: Certain drugs may be covered under Part B for some medical conditions and under Part D for other medical conditions. If you take a drug that may be covered under Medicare Part B or Medicare Part D, you will have to obtain a Part B or Part D determination (a special kind of prior authorization) before the drug can be filled under your new SilverScript benefits. This process is required in order to determine which coverage – Part B or Part D – covers that use of the drug, based on your medical condition.

In the *Formulary (List of Covered Drugs)*, if your drug has a “B/D” next to it, you will need to obtain a Part B or Part D determination. You will receive a letter in December if you are taking a drug that may be covered by Part B or Part D with instructions on how to obtain the Part B or Part D determination.

Q24: What is Extra Help?

A24: Medicare provides “Extra Help” to help pay prescription drug costs for people who have limited income and resources. Resources include your savings and investments, but not your home or car. If you qualify, you get help paying for any Medicare drug plan’s monthly premium, and prescription copayments or coinsurance. This “Extra Help” also counts toward your out-of-pocket costs.

To see if you qualify for Extra Help, you can:

- Call Medicare at (800) 633-4227. TTY users should call (877) 486-2048. Assistance is available 24 hours a day, 7 days a week.
- Visit www.medicare.gov.
- Call the Social Security Office at (800) 772-1213 between 7 a.m. and 7 p.m., Monday through Friday. TTY users should call (800) 325-0778.
- Visit www.socialsecurity.gov/prescriptionhelp.

If you qualify for Extra Help, the Low Income Subsidy (LIS) Rider included with your SilverScript ID card will tell you the exact amount of your copayment or coinsurance in 2020.

Q25: What is the Part D Late Enrollment Penalty?

A25: The Part D Late Enrollment Penalty (LEP) is the amount that Medicare may require a person to pay if he/she:

- Did not enroll in a Medicare prescription drug plan when first eligible for Medicare
- Did not have creditable prescription drug coverage – coverage at least as good as Medicare’s standard plan
- Had a break in coverage of more than 63 consecutive days

Q26: What happens if I am contacted by SilverScript about a Part D late enrollment penalty?

A26: If SilverScript contacts you, they may need information about your past prescription drug coverage to send to Medicare. Please make sure you provide the information requested in the notice. You may also ask that any decision about your Part D late enrollment penalty be reconsidered.

Q27: Will my income affect what I have to pay for my Medicare coverage?

A27: If your modified adjusted gross income (MAGI) reported on your federal tax return is above a certain amount, Medicare requires that you pay an extra amount for your Medicare coverage. It is called an Income-Related Monthly Adjustment Amount or IRMAA. For Medicare Part D, it is referred to as “D-IRMAA.”

If you are responsible for an additional premium, the extra amount will be deducted automatically from your Social Security benefit. If you do not receive Social Security or your Social Security benefit is not enough to cover the additional premium, Medicare will send you a bill. You must send your payment to Medicare; you do not pay this D-IRMAA to SilverScript or the Fund.

It is important that you make the payment, if required. If not, Medicare will notify SilverScript that it must stop your prescription drug coverage and you will be disenrolled from the plan.