

SEAFARERS HEALTH AND BENEFITS PLAN

5201 Capital Gateway Drive
Camp Springs, Maryland 20746-4275
(301) 899-0675

Margaret R. Bowen
Administrator

IMPORTANT NOTICE FROM THE SEAFARERS HEALTH AND BENEFITS PLAN ABOUT YOUR PRESCRIPTION DRUG COVERAGE AND MEDICARE

NON-CREDITABLE COVERAGE

October 15, 2020

Dear Plan Participant,

As you probably know, Medicare began offering prescription drug coverage in January 2006. This letter is to remind you of your options for pharmacy benefit coverage since the Medicare drug program came into effect. This letter will also tell you where to find more information to help you make decisions about your prescription drug coverage.

This notice provides Plan participants with important information. Please read this notice carefully. It can help you decide whether or not you want to enroll in Medicare's Part D program.

Please keep this notice in a safe place. It may be necessary to refer back to this letter should you decide to change your pharmacy benefit coverage in the future.

What is Medicare Part D?

Medicare Part D is a prescription benefit for all individuals entitled to Medicare. This benefit first became available on January 1, 2006.

You now have a choice of pharmacy benefits. You can choose to keep pharmacy benefits from the SHBP or you can pay a premium to join a Medicare Prescription Drug Plan, offered by insurance companies or other companies working with Medicare to offer drug plans serving your area. 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. **When you make your decision about pharmacy benefits, you should compare your current coverage, including which drugs are covered, with the coverage and cost of plans offering Medicare prescription drug coverage in your area.**

How will Medicare Part D affect my Seafarers' pharmacy benefits?

SHBP would like you to know that the prescription drug benefit available to you from the SHBP is, on average, NOT expected to provide a benefit that is as good as what would be available to you in the standard Medicare Part D prescription drug plan. Therefore, your coverage 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

keep your coverage from SHBP. However, you may have to pay a higher premium (a penalty) if you did not join a Medicare drug program when you first became eligible.

What happens to my Seafarers' prescription drug coverage if I enroll in a Medicare Part D prescription drug plan?

If you enroll in a Medicare Part D prescription drug plan, you will lose prescription drug coverage from the SHBP. However, you will still be eligible for the other health benefits available to you from the Plan. **It is your obligation to promptly notify the SHBP if you decide to switch to a Medicare Part D plan.**

When do I have to make a decision about which coverage I want?

You can join a Medicare drug plan when you first become eligible for Medicare, and each year from October 15th through December 7th.

What happens if I choose to enroll in a Medicare Part D plan now, even though I was eligible to enroll when Medicare Part D first went into effect in 2006?

Since the coverage you receive from SHBP is not creditable, you may have to pay an increase in the monthly premium to join a Medicare Plan. Beginning on the 63rd day after the first month that you were first eligible to join a Medicare drug plan but didn't join, your monthly premium may go up by at least 1% of the Medicare base beneficiary premium for each month that you did not have creditable coverage. You may have to pay this increased premium for as long as you have Medicare prescription drug coverage.

If I choose to remain in the SHBP this year, may I switch plans in the future?

Yes, you may choose to switch to a Medicare Part D prescription drug plan in the future; however, you may be responsible for paying a higher premium.

If you continue to receive prescription benefit coverage through the SHBP and decide to join a Medicare prescription drug plan in the future, there will be an additional penalty to enroll because you did not have coverage as good as Medicare.

As in all cases, the SHBP reserves the right to modify benefits at any time, in accordance with applicable law.

How can I get more information about this notice or my current pharmacy benefit coverage?

To receive another copy of this notice, you may contact the Plan's membership services at 1-800-252-4674. You will receive this notice each year, before the next enrollment period for Medicare prescription coverage. If you have questions about the current Seafarers prescription plan coverage, you may contact OptumRx at 1-877-445-6881.

Is there any help if I am on a limited income and need extra resources?

For people with limited income and resources, extra help paying for 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, contact SSA by calling 1-800-772-1213. For TTY call 1-800-325-0778.

How can I learn more information about my options under the Medicare Part D prescription drug program?

More detailed information about Medicare plans that offer prescription drug coverage will be available to you in a publication entitled the **Medicare and You** handbook. You will get a copy of this handbook in the mail every year from Medicare. You may also be contacted directly by Medicare prescription drug plans offered in your area. You can also get more information about Medicare prescription drug plans by contacting the following sources:

- Medicare's web site: www.medicare.gov
- Medicare's telephone number: 1-800-633-4227. TTY users should call 1-877-486-2048
- Your State Health Insurance Assistance program. These programs are listed in the phonebook and will be listed in the Medicare handbook.
- Medicare Rights Center web site: <http://www.medicarerights.org>
- Your local pharmacy may also have information about the Medicare Part D Plans in your area.

Once again, we provide this information to you in accordance with federal government requirements.

Sincerely,

BOARD OF TRUSTEES
SEAFARERS HEALTH AND BENEFITS PLAN