

SEAFARERS HEALTH AND BENEFITS PLAN

5201 Capital Gateway Drive
Camp Springs, Maryland 20746-4275
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Margaret R. Bowen
Administrator

October 14, 2022

Re: Creditable Coverage Notice

Dear Participant:

We are sending this letter to you because you are eligible for benefits from the Seafarers Health and Benefits Plan ("Plan") under its Core-Plus coverage. According to Plan records, you are at least 64 years of age and may become eligible to enroll in the Medicare Part D Prescription Drug Program under Medicare in the near future.

Enclosed is the Plan's Creditable Coverage Notice, which provides important information about the Plan's prescription coverage and the Medicare Part D Prescription Drug Program. The Plan provides pensioners with prescription drug coverage through a Medicare Part D prescription drug program through Retiree RxCare. Please be aware that if you retire as a plan participant eligible for Medicare, the prescription drug coverage from the Plan will pay at least as much as the standard Medicare Part D coverage.

If you enroll in another Medicare Part D Prescription Drug Program once you retire, you will no longer be eligible for prescription drug coverage from this Plan, and, your prescription benefits will not be reinstated if you unenroll in the other Medicare Part D Program.

If you have any questions regarding your benefits, contact the SHBP Claims Department at (800) 252-4674 (Option 3) or claimsdept@seafarers.org. Additional information regarding the Plan can be found online at www.seafarers.org/plans.

Sincerely,

Margaret R. Bowen
Administrator

This notice does not guarantee eligibility for benefits from the Seafarers Health and Benefits Plan when you retire. In order to be eligible for benefits, you must have at least 5,475 days of covered employment under the Plan if you are retiring on a Normal Pension or Early Normal Pension. If you retire on a Disability Pension, you must have 4,380 days of covered employment. In addition, you must have at least 125 days of covered employment in the calendar year immediately preceding the year in which you become eligible for and apply for pension benefits. "Covered employment" does not include "Extra Service Credit" or "Supplemental Service" earned under the Seafarers Pension Plan.

Important Notice from the Seafarers Health and Benefits Plan 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 prescription drug coverage with the Seafarers Health and Benefits Plan (“Plan”) for retirees, 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 when you retire. 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 Seafarers Health and Benefits Plan has determined that the prescription drug coverage offered by the Plan 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. 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 Prescription Coverage from the Seafarers Health and Benefits Plan If You Decide to Join A Medicare Drug Plan?

If you decide to join another Medicare drug plan **when you retire**, your Seafarers Health and Benefits Plan prescription coverage will be affected. If you choose to enroll in another Medicare Part D Plan, your prescription coverage from the Seafarers Health and Benefits Plan will end. See pages 7-9 of the CMS Disclosure of Creditable Coverage To Medicare Part D Eligible Individuals Guidance available at www.cms.hhs.gov/CreditableCoverage/, which outlines the prescription drug plan provisions/options that Medicare eligible individuals may have available to them when they become eligible for Medicare Part D.

If you do decide to join another Medicare drug plan when you retire and drop your Seafarers Health and Benefits Plan prescription coverage, be aware that you will 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 coverage with the Seafarers Health and Benefits Plan 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 Prescription Drug Coverage Available from the Seafarers Health and Benefits Plan...

Contact the Seafarers Health and Benefits Plan's Claims Department for further information at 1-800-252-4674 (Option 3).

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 Seafarers Health and Benefits Plan 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 1-877-486-2048.

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 1-800-772-1213 (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).