

**TO: Western States Health & Welfare Trust Fund of the OPEIU
Employees, Retirees, COBRA Participants and Their Eligible, Covered Dependents**

REGARDING: Prescription Drug Coverage and Medicare

We are sending this notice to all participants currently covered under the Western States Trust medical and pharmacy plan. **This notice is only intended for participants who are eligible for Medicare. If you are NOT and NO ONE in your immediate family is eligible for Medicare you may disregard this notice.**

If you or a covered dependent is eligible for Medicare, please read this notice carefully and keep it where you can find it. This notice has information about Western States pharmacy plan and about your options under Medicare's Prescription Drug Plans. Information about where you can get help to make decisions about your prescription drug coverage is at the end of this notice.

Following are some important points about Medicare Prescription Drug (Medicare Part D) coverage:

1. Medicare prescription drug coverage is available to everyone with Medicare, whether the coverage is due to age or disability.
2. Western States Trust has determined that the prescription drug coverage provided in the Western States Trust pharmacy plan is, on the average for all plan participants, expected to pay out as much as the standard Medicare prescription drug coverage will pay.
3. Read this notice carefully – it explains the options you have under Medicare Prescription Drug Plans and can help you decide whether or not you want to enroll.

Prescription drug coverage has been available to everyone with Medicare through Medicare Prescription Drug Plans since 2006. All Medicare Prescription Drug Plans will provide at least a standard level of coverage that has been set by Medicare. Some plans might also offer more coverage for a higher monthly premium. Medicare eligible enrollees who did not enroll when first eligible may be penalized for late enrollment. **However, because the Western States Trust existing pharmacy plan is on average at least as good as the standard Medicare prescription drug coverage, this plan is therefore considered Creditable Coverage. Because your existing coverage is Creditable Coverage, you or your covered dependents may keep this coverage and not pay extra if you or your dependents later decide to enroll in Medicare coverage, such as when you quit working. In addition, as long as you and your dependents are covered under the Western States Trust medical and pharmacy benefits based on your active or early retirement coverage, whether or not you enroll in Medicare Part D, the Western States Trust coverage would be primary.**

Each year, you will have the opportunity to enroll in a Medicare Prescription Drug Plan between November 15th and December 31st or at any time that you lose active group or early retirement coverage.

Please be advised that if you decide to enroll in a Medicare Prescription Drug Plan and drop your coverage under Western States Trust pharmacy plan you will automatically lose coverage under the Western States Trust medical plan as well. You may not be able to get this coverage back at a future date or, if you are able to you may be limited to specific times during the year such as open enrollment. In addition, Western States Trust is not permitted to contribute to your premiums should you elect to drop Western States Trust sponsored coverage.

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.

You should also know that if you drop or lose coverage under Western States Trust pharmacy plan and don't enroll in a Medicare Prescription Drug Plan after your current coverage ends, you may pay more to enroll in Medicare Prescription Drug Plan later. If you go 63 days or longer without creditable prescription drug coverage, your monthly premium will go up at least 1% per month for every month that you did not have that coverage.

For example, if you go 19 months without coverage, your premium will always be at least 19% higher than the Medicare base premium. You will 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 next November to enroll.

For more information about this notice or your current prescription drug coverage please contact the Trust Administration office noted below. NOTE: You may receive this notice at other times in the future, such as before the next period you may enroll in Medicare prescription drug coverage, and if the **Western States Trust** coverage changes. You also may request another copy of this notice at any time.

More detailed information about Medicare plans that offer prescription drug coverage is available in the “Medicare & You” handbook. You may also get more information about Medicare Prescription Drug Plans from the following:

- Centers for Medicare, Medicaid Services (CMS/Medicare): www.medicare.gov or call 1-800-MEDICARE (1-800-633-4227). TTY users should call 1-877-486-2048..
- Senior Health Insurance Benefits Assistance (SHIBA): www.oregonshiba.org, or call 503-378-2014 or 1-800-722-4134.

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) online at www.socialsecurity.gov, or call 1-800-772-1213 (TTY 1-800-325-0778).

Remember: Keep this notice. If you enroll in one of the Medicare Prescription Drug Plans, you may be required to provide a copy of this notice when you join to prove whether or not you are required to pay a higher premium amount.

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