

Important Notice From

The UA LOCAL 190 PLUMBERS/ PIPEFITTERS/ SERVICE TECHNICIANS/ GAS DISTRIBUTION HEALTH CARE 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 your current prescription drug coverage with the UA Local 190 Plumbers/ Pipefitters/ Service Technicians/ Gas Distribution Health Care Plan (UA Local 190 Health Care Plan) and new prescription drug coverage available soon for people with Medicare. It also tells you where to find more information to help you make decisions about your prescription drug coverage.

1. Medicare prescription drug coverage became available to everyone with Medicare through Medicare prescription drug plans in 2006. All Medicare prescription 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 Local 190 Health Care Plan has determined that the prescription drug coverage offered in the Local 190 Health Care Plan is, on average for all plan participants, NOT expected to pay out as much as the standard Medicare prescription drug coverage will pay.

This is important, because for most people, enrolling in Medicare prescription drug coverage means you will get more assistance with drug costs.

3. You have decisions to make about Medicare prescription drug coverage that may affect how much you pay for that coverage, depending on if and when you enroll.

Read this notice carefully - it explains your options.

You may have heard about Medicare's new prescription drug coverage, and wondered how it would affect you. Starting January 1, 2006, prescription drug coverage became available to everyone with Medicare through Medicare prescription drug plans. All Medicare prescription drug coverage will provide at least a standard level of coverage set by Medicare. Some plans might also offer more coverage for a higher monthly premium.

You might want to consider enrolling in Medicare prescription drug coverage.

Because the Prescription Medicine Benefit coverage you have with the Local 190 Health Care Plan is on average for all plan participants, NOT expected to pay out as much as the standard Medicare prescription drug coverage will pay, you might want to consider enrolling in a Medicare prescription drug plan. Individual's can enroll in a Medicare prescription drug plan when they first become eligible for Medicare and each year from November 15th through December 31st.

This is important, because if you do not get Medicare prescription drug coverage (or equivalent coverage) when you are eligible to enroll, you may have to pay a higher premium if you join later. You will pay that higher premium as long as you have Medicare prescription drug coverage.

If you go 63 days or longer without prescription drug coverage that is at least as good as Medicare's prescription drug coverage, your premium will go up at least 1% per month for every month after May 15, 2006 that you did not have that coverage. You will have to pay this higher premium as long as you have Medicare prescription drug coverage. For example, if you go nineteen months without coverage, your premium will always be at least 19% higher than what most other people pay.

If you don't enroll in a Medicare prescription drug plan when you first were eligible to enroll, you may also have to wait to enroll. For 2010 Medicare Prescription Drug coverage, you generally need to enroll by December 31, 2009 to satisfy this requirement.

The Local 190 Health Care Plan has been modified to work with the Medicare prescription drug plan, so that Medicare-eligible members whose medications cost more than the Health Care Plan's Prescription Medicine Benefit will come out ahead by enrolling in the Medicare prescription plan.

The premiums you pay for Medicare prescription coverage are now eligible for reimbursement from your Prescription Medicine Benefit under the Local 190 Health Care Plan. This means you will get the Medicare coverage at very little cost to you, plus most of the Prescription Medicine Benefit you had before.

- Most people whose prescription medicine costs usually exceed the Prescription Medicine Benefit limit will come out ahead.
- If your Medicare prescription drug plan premium and prescription medicine costs do not exceed the Prescription Medicine Benefit limit, you might pay slightly more than before, but the difference should be small.
- You will pay slightly higher co-pay (25% instead of 20%) under part of the Medicare prescription plan. This may be offset by lower prescription prices.

This is a small price to pay to make sure that you have the extra coverage offered by Medicare and do not have to pay extra for the Medicare plan later.

If you are a retiree or the spouse of a retiree and you enroll in a Medicare prescription drug plan, here is how your Local 190 Health Care Plan Prescription Medicine Benefit will work:

1. The total coverage amount will stay the same. This is currently a maximum of \$1,440.
2. The Local 190 Health Care Plan will reimburse premiums you pay for your Medicare prescription drug plan, up to 100% of the current annual standard Medicare Part D premium for the year, currently set at \$32 per month. The Trustees of the UA Local 190 Health Care Plan are currently reviewing increasing the Medicare part D premium for 2010. A separate notice will be mailed prior to January 1, 2010 if there is a change in the premium. This amount will be treated as an eligible prescription drug expense and will count toward the annual \$1,440 limit the same as any prescription drug expense.