



OCTOBER 2025

TO: ALL MEDICARE ELIGIBLE PARTICIPANTS AND DEPENDENTS

RE: **IMPORTANT NOTICE FROM THE NORTHERN CALIFORNIA PIPE TRADES HEALTH AND WELFARE PLAN (“PLAN”) ABOUT YOUR PRESCRIPTION DRUG COVERAGE AND MEDICARE – NOTICE OF CREDITABLE COVERAGE**

NOTE: You are not required to take any action. This Notice is required by law.

If you or any of your family members are now eligible or will become eligible for Medicare Part A and/or enrolled in Medicare Part B (which would make you eligible to enroll in a Medicare Prescription Drug Plan), in the next 12 months, 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 Plan and about your options under Medicare’s Prescription Drug Coverage. This information can help you decide whether or not you want to join a different Medicare Prescription Drug Plan. Once you are Medicare eligible, you will need to consider your own individual circumstances and the amount you are required to pay for your prescription drug coverage. If you are considering joining a different Medicare Prescription Drug Plan, 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 three 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 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 Plan has determined that the Prescription Drug Coverage offered by the insured Kaiser Permanente HMO Plan option and Blue Shield of California PPO Plan option are, 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 Prescription Drug Plan.**
3. If you decide to join a different Medicare Prescription Drug Plan and drop your current Plan coverage (Kaiser Permanente or Blue Shield of California), be aware that you and your Dependents may not be able to get this coverage back.

When Can You Join A Medicare Prescription Drug Plan?

Initial Enrollment Period. You can join a Medicare Part D Drug Plan when you first become eligible for Medicare.

Open Enrollment Period. You can also join a Medicare Part D Drug plan each year from **October 15th through December 7th.**

Special Enrollment Period. However, if you lose your current Creditable 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 Prescription Drug plan.

Medicare Prescription Drug Plans work much like other insurance. You pay a monthly premium as well as a share of the cost of prescriptions. However, the premiums may vary based on the coverage you choose and your geographic location, and some Medicare Prescription Drug Plans have “coverage gaps.” This means that plans will pay benefits up to a certain amount, and then it will be up to you to pay the full cost for prescription drugs. Then, after you have paid a certain amount out-of-pocket, the plan will start to pay benefits again. Medicare has estimated that the Part D national average premium for 2025 is around \$36.78 (and around \$34.70 for 2024) per month for the standard plan. This premium is in addition to any premiums and/or deductibles you pay for your Medicare Part A (hospital insurance) and/or Part B (medical insurance) coverage. You can visit the Medicare website to find a Medicare Prescription Drug Plan near you www.medicare.gov/find-a-plan/questions/home.aspx or call 800-MEDICARE (800/633-4227).

What Happens To Your Current Coverage If You Decide To Join A Medicare Prescription Drug Plan?

If you are eligible for Medicare Part D and decide to join a different Medicare Prescription Drug Plan during the Medicare open enrollment period, your current Plan coverage will be affected. If you enroll in a different Medicare Prescription Drug Plan, you and your eligible Dependents will not be eligible to receive all of your current health and Prescription Drug benefits. Unlike other Medicare Prescription Drug Plans, your current coverage covers other health expenses in addition to prescription drugs. As a result, the Board of Trustees and the advisors to the Plan have concluded that the Prescription Drug benefits under this Plan provide equal or better coverage, at less cost to you, than the Medicare Part D Drug Program benefits. As long as you are eligible for a Prescription Drug Plan that has coverage that is equal to or better than what is offered under Medicare Part D, you are considered to have "Creditable Coverage." Therefore, if at some later date you choose to enroll in Medicare Part D, you will not be charged a late penalty for delayed enrollment.

When Will You Pay A Higher Premium (Penalty) To Join A Medicare Prescription Drug Plan?

You should also know that if you drop or lose your current coverage with our Plan and don't join another Medicare Prescription Drug Plan within sixty-three (63) continuous days after your current coverage ends, you may pay a higher premium (a penalty) to join a Medicare Prescription Drug Plan later. The cost of the late enrollment penalty depends on how long you went without Part D or Creditable Prescription Drug Coverage.

Specifically, if you try to enroll after your initial eligibility period, you will be charged a permanent Part D premium surcharge of 1% of the Medicare national base beneficiary premium (\$36.78 in 2025 up from \$34.70 in 2024) per month for every month since your initial Medicare eligibility for which you cannot show that you had Creditable Coverage (if such non-creditable period continues for 63 days or longer). For example, if you go 19 months without Creditable Coverage, your premium may consistently be at least 19% higher than the Medicare base beneficiary premium. The monthly premium is rounded to the nearest \$.10 and added to your monthly Part D premium. Keep in mind, the national base beneficiary premium may change each year, so your penalty amount may also change each year. Also note that you may have to wait for the next regular annual Part D enrollment period, which will be October 15th through December 7th for coverage in the following calendar year.

Example:

Mrs. Martinez has Medicare, and her first chance to get Medicare Drug Coverage (during her Initial Enrollment Period) ended on July 31, 2022. She doesn't have prescription drug coverage from any other source. She didn't join a Medicare drug plan by July 31, 2022, and instead joined during the Open Enrollment Period that ended December 7, 2024. Her Medicare drug coverage started January 1, 2025.

Since Mrs. Martinez was without Creditable Prescription Drug Coverage from August 2022–December 2024, her penalty in 2025 is 29% of \$36.78 (the national base beneficiary premium for 2025) or \$10.66 each month. Since the monthly penalty is always rounded to the nearest \$0.10, she will pay \$10.70 each month in addition to her plan's monthly premium.

Here's the math:

.29 (29% penalty) × \$36.78 (2025 base beneficiary premium) = \$10.66

\$10.66 rounded to the nearest \$0.10 = \$10.70

\$10.70 = Mrs. Martinez's monthly late enrollment penalty for 2025

For more information about this Notice or your current Prescription Drug Coverage, contact our office.

NOTE: You will get this Notice annually as required by law. You will also receive it before the next enrollment period (October 15th through December 7th) you can join a Medicare Prescription Drug Plan, and if the coverage through our Plan changes or terminates. You also may request a copy of this Notice at any time by contacting our office or by visiting our website at www.ncpttf.com.

For more information about your options under Medicare Prescription Drug Coverage, contact Medicare directly.

More detailed information about Medicare plans that offer prescription drug coverage is in the “Medicare & You” handbook. You get a copy of the handbook in the mail every year from Medicare. You may also be contacted directly by Medicare Prescription Drug Plans.

For more information about Medicare Prescription Drug Coverage:

- ❑ **Visit www.medicare.gov.** You can log onto (or create) a secure Medicare account at www.medicare.gov/account/login. Medicare.gov also has a Life Chat available 24 hours a day, 7 days a week except federal holidays.
- ❑ **Call your State Health Insurance Assistance Program** (see the inside back cover of your copy of the “Medicare & You” handbook at www.medicare.gov/pubs/pdf/10050-medicare-and-you.pdf for their telephone number) for personalized help or visit: www.shiphelp.org.
- ❑ **Call 1-800-MEDICARE** (800/633-4227). Participants who are deaf, hard of hearing, or speech-impaired should call 877/486-2048.

There are two ways to apply for Medicare online:

- ❑ If you are applying for Medicare Part A and B at the same time, you can use the online application found here: www.ssa.gov/benefits/medicare.
- ❑ If you are applying for Medicare Part B using the Part B SEP, you can use the online application found here: <https://secure.ssa.gov/mpboa/medicare-part-b-online-application>.

Those With Limited Income and Assets

If you have limited income and resources, extra help paying for Medicare Prescription Drug Coverage is available. For more information about this extra help, visit Social Security on the web at www.socialsecurity.gov, or call them at 800/772-1213. Participants who are deaf, hard of hearing, or speech-impaired should call 800/325-0778. While most Participants and Retirees may find that prescription drug benefits under the Plan are greater than the benefits Medicare Part D provides, those with limited income and assets may find they have better benefits through a Medicare Part D Plan.

REMEMBER: Keep this Creditable Coverage Notice. If you decide to join one of the other Medicare Prescription 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).

Date: October 2025
Name of Entity/Sender: Northern California Pipe Trades Health and Welfare Plan
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Phone Number: 925/356-8921, ext. 246

As in all cases and situations, the Plan reserves the right to modify benefits at any time, in accordance with applicable law. As required by law, this document is intended to serve as your Medicare Prescription Drug Notice of Creditable Coverage.