

## 2025 MEDICARE CREDITABLE RX COVERAGE NOTICE

### **Rx Coverage for Medicare Members**

Please read this notice carefully and keep it where you can find it. This notice has information about your current prescription drug coverage under the above plan and about your options under Medicare's prescription drug coverage once you are Medicare Eligible (first day of the month in which you attain age 65 or first day of the 25<sup>th</sup> month following your eligibility for Social Security Disability benefits). This information can help you decide whether you want to join a Medicare drug plan. Information about where you can get help to make decisions about your prescription drug coverage is at the end of this notice.

**KTF's Prescription Drug Plan is considered "creditable coverage"**. It is, on average, at least as good as standard Medicare prescription drug coverage. You can keep your KTF Rx coverage and not pay a higher premium (a penalty) if you later decide to join a Medicare drug plan.

**KTF Does Not Coordinate Rx Coverage – Only One Rx Plan is permitted:** If you join a Medicare drug plan, your KTF Rx coverage will be suspended and you and your dependents may not get this coverage back until the Medicare Part D coverage is terminated. Generally, Part D coverage may only be terminated during the Open Enrollment Period (10/15 to 12/7) with an effective date of the following January 1.

**Enrollment in Medicare Part A and B is Required:** You are required, under the KTF Plan, to be enrolled in both Medicare Part A and B when you or a covered spouse or dependent no longer has coverage as an employee or dependent under an active employee and is eligible for Medicare. The KTF Plan provides comparable Rx coverage; therefore, whether you enroll in Medicare Part D is up to you.

**Diabetics Must Get their Diabetic Supplies through Medicare Part B:** Medicare Primary Members must get their diabetic supplies through Medicare Part B and then submit the claims to KTF to reimburse any balance not covered by Medicare.

**Medicare Part D Prescription Drugs Coverage:** Anyone who is eligible for Medicare Part A and/or has Medicare Part B can get Medicare Part D Prescription Drug coverage. You get Medicare Part D Drug 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.

**Open Enrollment for Medicare and Medicare Part D coverage:** October 15 to December 7

**Penalty for Failure to Have Creditable Rx Coverage:** 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 base beneficiary premium per month for every month that you did not have that coverage. If you lose creditable prescription drug coverage, through no fault of your own, while currently enrolled in any MA, MAPD or PDP plan or enrolled in original Medicare and meet eligibility requirements for Medicare Advantage, you will be eligible for a Special Enrollment Period (SEP) allowing you to switch to a 5-star plan at any point during the year.

If you lose or decide to leave employer/union sponsored coverage, you will be eligible to join a Part D plan at that time using an Employer Group Special Enrollment Period. 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. A surviving spouse of a deceased retired member has the option of continuing their retiree coverage under COBRA rules or electing Medicare coverage if they are Medicare eligible. They may also have a guaranteed issue opportunity for enrollment in a Medigap plan in lieu of continuing their coverage with KTF. All options should be compared carefully.

**The Part D Late Enrollment Penalty:** is 1% for each month you did not have "creditable coverage".

**Special Rules apply for Nursing Home Residents:**

1. **Medicaid Residents:** If a member qualifies for Medicaid and is in a nursing home, the facility and Medicaid may automatically enroll the member in Medicare Part D and there may be additional subsidies for Medicare copays and deductibles for special needs patients. **See the Prescription Schedule of Benefits found in Part A of your Plan.** Medicaid eligible members are permitted to change their Medicare coverage at any time. (See Help with Medicare Costs below.)
2. **Private Pay Residents:** If the nursing home requires prescriptions be dispensed by a special pharmacy in blister packs, please contact the KTF Compliance Department at (844) 583-3863 for an override that will permit the nursing home to fill the prescriptions locally rather than through mail order.

The basic Medicare Part D Drug Program works as follows. The Medicare deductible and threshold limits are adjusted annually for cost of living. The current Notice of Creditable Coverage will be posted on the KTF web site at [www.ktftrustfund.com](http://www.ktftrustfund.com).

<b>Standard Medicare Part D Benefits</b>		
	<b>2024</b>	<b>2025</b>
Part D Annual Enrollment - Open enrollment from 1/1 to 3/31 was eliminated. Members are only permitted 1 change to their Medicare Advantage and/or Part D Plan 1/1 to 2/14.	10/15 to 12/7	10/15 to 12/7
Medicaid Eligible Individuals (See Resources Limits for Financial Assistance below.)	May change their Medicare Enrollment at any time.	
Deductible – Employee pays 100% of Deductible	\$545	<b>\$590</b>
Initial Coverage Limit - Employee Pays 25% of the Cost of the Drugs	\$5,030	<b>N/A</b>
Out-of-Pocket Threshold - Employee pays 100% of the cost of drugs during the GAP Period until the OOP is met.	\$8,000	<b>\$2,000</b>
Total Covered Part D Drug Spending (total cost of drugs including your portion of the cost) before Catastrophic Coverage	\$11,477.39	<b>\$2,000</b>
Minimum copays for Catastrophic coverage	\$4.50 generics \$11.20 brand or 5% of the cost	<b>N/A</b>
<b>Resource Limits For Financial Assistance:</b> Eligible for QMB/SLMB/QI, SSI or applied and income at or below <b>135% FPL</b> for <b>2023</b> and income at or below <b>150% FPL</b> for <b>2024</b> and <b>resources ≤ \$10,590 (individuals) or ≤ \$16,630 (couples).</b>		

### Help with Medicare Prescription Drug Plan Costs: Low Income Subsidy

If you or a covered dependent or spouse qualify for low income subsidy, are covered by Medicaid or in a nursing home, this may be better Rx coverage than the KTF Prescription Plan due to the Medicaid subsidies. Please notify the Plan if a covered member is in a nursing home. You must request an override for drugs to be covered by a pharmacy who supplies the patient's medications in blister packs to the nursing home.

Some people with limited income and resources are eligible for Extra Help to pay for the costs—monthly premiums, annual deductibles, and prescription co-payments—related to a Medicare prescription drug plan. The Extra Help is estimated to be worth an average of \$3,900 per year. Many people qualify for these savings and don't even know it. **To find out if you qualify, Social Security will need to know your income and the value of your savings, investments, and real estate (other than your home). If you are married**

**and living with your spouse, we will need information about both of you. See *Resource Limits for Financial Assistance in the above table.***

1. You must have Medicare Part A (Hospital Insurance) and/or Medicare Part B (Medical Insurance).
2. You must live in one of the 50 states or the District of Columbia.

The **2023** Federal Poverty Level (FPL) Guidelines will be used for determining the income level requirements for people applying for the Low Income Subsidy (LIS) program at the beginning of the **2024** plan year. Beginning in 2024, full-LIS will be increased to 150% of FPL and partial-LIS will be eliminated. If your income is below **150%** of the FPL (**\$21,870** if you are single or **\$29,580** for married couples), you could qualify for the full Low Income Subsidy – *see resource limits above*. LIS subsidy helps to pay both your monthly plan premiums and drug costs.

For more information about getting extra help with your Medicare prescription drug plan, visit [www.socialsecurity.gov](http://www.socialsecurity.gov) or call Social Security at **1-800-772-1213** (TTY **1-800-325-0778**). Social Security representatives are available to help you complete your application.

**For more information about this notice or your current prescription drug coverage:** Contact the person listed below for further information. **NOTE:** You will get this notice each year. You will also get it before the next period you can join a Medicare drug plan (each October 15 to December 7 is open enrollment). You may also request a copy. *See Part A for you Prescription Drug Schedule of Benefits.*

For more information about your options under Medicare prescription drug coverage:

1. Order or download the “**Medicare & You**” handbook. You will receive a copy of the handbook in the mail every year from Medicare.
2. Visit [www.medicare.gov](http://www.medicare.gov).
3. Call your State Health Insurance Assistance Program (*see the inside back cover of your copy of the “Medicare & You” handbook for the telephone number*) for personalized help.
4. Call 1-800-MEDICARE (1-800-633-4227). TTY users should call 1-877-486-2048.

**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 you have maintained creditable coverage and whether you are required to pay a higher premium (a penalty).

Also, *see Notice on Medicare Enrollment* – KTF Requires Part A and B coverage when no longer covered as an active employee or dependent of an active employee who is the Primary Insured for your dependent coverage.

Please provide the KTF Compliance Office with a copy of your Medical Power of Attorney or a HIPAA Authorization if you wish to authorize KTF to deal directly with another party on your behalf regarding claims, coverage, eligibility and/or billings. If you are paying premiums for your coverage, please provide an alternate contact in the event you are unable to handle your affairs due to an accident or medical condition.

**Updated:** October 1, 2024  
**Name of Entity/Sender:** Kingston Trust Fund

**Contact:** KTF Compliance Office  
**Address:** 416 Creekstone Ridge  
Woodstock, GA 30188  
**Phone:** (844) 583-3863