

◆◆ IMPORTANT NOTICE TO PARTICIPANTS ◆◆

November, 2007

To All Employees and Dependents:

This Notice is to inform you of the following:

- ◆ Routine Physical Exam Benefits Increase.
- ◆ Women's Health and Cancer Rights Act Annual Notification.
- ◆ HIPAA Privacy Update.
- ◆ **Enclosure:** Important Notice of Prescription Drug Creditable Coverage. Please take time to read this Notice carefully as it contains valuable information on your options regarding Medicare Part D.

Routine Physical Exam Benefits Increase

The maximum payable per person per calendar year under your Routine Physical Exam Benefits will increase from \$510 to \$522 effective January 1, 2008, to coincide with the January 1 increase to the Health Dynamics fee.

Women's Health and Cancer Rights Act Annual Notification

The Women's Health and Cancer Rights Act of 1998 requires that we notify you annually of the coverage required under this Act. This Notice fulfills that requirement.

The Act amended ERISA by requiring group health plans which provide medical and surgical benefits for a mastectomy to provide the following coverage if you elect breast reconstruction in connection with a mastectomy, in a manner determined in consultation with the attending physician and the patient:

- »» reconstruction of the breast on which the mastectomy has been performed;
- »» surgery and reconstruction of the contralateral breast to produce symmetrical appearance; and
- »» coverage for prostheses and physical complications of all stages of mastectomy, including lymphedemas.

Subject to any applicable deductible and copayment requirements, your Plan provides coverage for the preceding items. Such surgical benefits are payable on the same basis as any other surgical procedure covered by the Plan.

HIPAA Privacy Update

On April 14, 2003, the HIPAA Privacy Regulations went into effect for the Wisconsin Carpenters' Health Fund. In April of 2003 (or when you enrolled, if later), the Plan provided you a Privacy Practices Notice as required by the Privacy Regulations. This Notice provided information regarding the Plan's uses and disclosures of your Protected Health Information (PHI), your rights regarding your PHI, and the Plan's duties to protect the privacy of your PHI.

Even though the Plan previously provided you with the Privacy Practices Notice, it also is obligated by law to notify you every three years that such Notice is available upon request. To request a copy of the Plan's Privacy Practices Notice, please contact the Fund Office at: (715) 835-3174 or 1-800-424-3405.

Please keep this Notice in your Summary Plan Description (SPD) booklet for future reference. If you have any questions, feel free to call the Fund Office.

Yours very truly,

THE BOARD OF TRUSTEES

Enclosure

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**Important Notice of Prescription Drug Creditable Coverage
From Wisconsin Carpenters' Health Fund**

November, 2007

To All Employees and Dependents:

This Notice is being sent to inform you how your benefits through *Wisconsin Carpenters' Health Fund* are affected by Medicare Part D. It is being sent to all participants even though it applies only to those eligible for Medicare or who may become eligible for Medicare in the next 12 months. Medicare prescription drug coverage, referred to as "Medicare Part D," became available in 2006 to everyone with Medicare through Medicare prescription drug plans and Medicare Advantage plans that offer prescription drug coverage. All Medicare prescription drug plans will provide at least a standard level of coverage set by Medicare. Some plans offered by independent insurance companies might offer more coverage for a higher monthly premium.

The following information is provided to help you decide whether it would benefit you to enroll in Medicare Part D for prescription drug coverage.

Wisconsin Carpenters' Health Fund Trustees have determined that your current prescription drug coverage is "creditable coverage", which means that it is, on average for all Fund participants, expected to pay out as much or more than the standard Medicare prescription drug coverage. Since you have prescription drug coverage through *Wisconsin Carpenters' Health Fund*, the most cost effective option for you, generally, is to **not** enroll in a Medicare prescription drug plan unless you are eligible for extra help from Medicare for persons with low income. Joining a Medicare prescription drug plan **will not** reduce the monthly self-payment required by *Wisconsin Carpenters' Health Fund* because your current self-payment is for both medical and prescription drug expenses.

Retirees with limited income may be eligible for financial support from the government to help pay for the Medicare prescription drug plan. Information about this extra help is available from the Social Security Administration (SSA) online at: www.socialsecurity.gov, or you can call them at 1-800-772-1213 (TTY 1-800-325-0778). If you are eligible for special assistance, you should review your options carefully because it may be beneficial for you to enroll in a Medicare prescription drug plan.

Individuals can enroll in a Medicare prescription drug plan when they first become eligible for Medicare and each year from November 15th through December 31st. However, if you lose creditable prescription drug coverage, through no fault of your own, you will be eligible for a 60-day Special Enrollment Period (SEP) because you lost creditable coverage to join a Medicare prescription drug plan. In addition, if you lose or decide to leave employer/union sponsored coverage, you will be eligible to join a Medicare prescription drug plan at that time using an Employer Group Special Enrollment Period.

Will your current coverage through *Wisconsin Carpenters' Health Fund* be affected if you join a Medicare prescription drug plan? Yes. Your Medicare prescription drug plan will become the primary payer for your prescription drug benefits, unless you are covered under an Active Plan through *Wisconsin Carpenters' Health Fund*, in which case the Fund remains the primary payer. The Fund will consider your prescription drug expenses for payment only after the expenses have been considered by your Medicare prescription drug plan. In addition, it will be your responsibility to submit proof of what the Medicare prescription drug plan paid (Explanation of Benefits) before the Fund considers any balance. Again, joining a Medicare prescription drug plan **will not** reduce your monthly self-payment to *Wisconsin Carpenters' Health Fund* since you receive both medical coverage as well as prescription drug coverage from the Fund.

Will Medicare penalize participants who do not enroll in a Medicare prescription drug plan? Because coverage through *Wisconsin Carpenters' Health Fund* is creditable coverage, you will not

have to pay a penalty if you enroll later, provided you do not go 63 days or longer without creditable coverage.

If you do go 63 days or longer without creditable coverage, your monthly premium will go up at least 1% per month for every month that you did not have creditable coverage. For example, if you go 19 months without creditable coverage before enrolling in a Medicare prescription drug plan, your premium always will be at least 19% higher than the base premium. You may have to pay this higher premium as long as you have Medicare prescription drug coverage. In addition, you may have to wait until the following November to enroll.

What will happen if you drop your *Wisconsin Carpenters' Health Fund* coverage?

In addition to prescription drug benefits, your current Fund coverage provides medical benefits, death benefits, and optional dental and vision benefits. None of these benefits are available separately, so if you decide to drop your Fund coverage, ALL Fund benefits will terminate. If you drop your coverage through the Fund, you will need to obtain coverage elsewhere for ALL your benefits, not just prescription drugs. We cannot guarantee that in all cases our prescription drug coverage is more advantageous than Medicare prescription drug coverage, although it generally will be. You must ultimately decide for yourself which program offers the better coverage at the most affordable price. You should compare your current Fund coverage, including which drugs are covered, with the coverage and cost of the plans offering Medicare prescription drug coverage in your area. If you drop your coverage with *Wisconsin Carpenters' Health Fund*, you cannot reinstate in the Fund's Retiree Program at a later date.

Where can you find information about this Notice or your current prescription drug coverage through *Wisconsin Carpenters' Health Fund*?

Please refer to the Quick Reference Card in your Summary Plan Description (SPD) for information on your current prescription drug coverage or call the Fund Office at (715) 835-3174 or 1-800-424-3405. NOTE: You will receive this Notice annually and at other times in the future such as before future periods during which you can enroll in Medicare prescription drug coverage, and if our Plan's coverage changes. You also may request a copy of this Notice at any time.

Where can you find information on Medicare prescription drug coverage?

The following resources are available to explain your options and help you make your decision:

- *Medicare & You* handbook, which is mailed to you every year in October.
- Visit www.medicare.gov for personalized help. An online Medicare Prescription Drug Plan Finder tool will be available on this website.
- Call your State Health Insurance Assistance Program (see your copy of the *Medicare & You* handbook for their telephone number).
- Call 1-800-MEDICARE (1-800-633-4227). TTY users should call 1-877-486-2048.

Keep this Notice of Prescription Drug Creditable Coverage. If you enroll in one of the Medicare prescription drug plans, you may need to give a copy of this Notice when you join to show that you are not required to pay a higher premium amount. An updated Notice will be provided to you annually. However, upon receipt of the updated Notice, DO NOT THROW AWAY PRIOR NOTICES! You may need them in a future year to prove you had creditable coverage in a specific time period.