

# GREATER PENNSYLVANIA CARPENTERS' MEDICAL PLAN

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## Understanding Your 2006 Prescription Drug Coverage Options

September 2005

Dear Participant:

The Greater Pennsylvania Carpenters' Medical Plan will continue to provide prescription drug coverage that is, on average, better than standard Medicare Prescription Drug Coverage on and after January 1, 2006, for participants covered under the Security Blue Medicare HMO Plan. **If you are covered under the Security Blue Medicare HMO Plan, you do not need to sign up for other Medicare Prescription Drug Coverage.**

The Medical Plan may be extending availability of retiree HMO coverage to participants who previously have not had this coverage available. We will send you more information about your options and available coverage in late October. **We encourage you to wait to receive this information before making any decisions about your prescription drug coverage for 2006.**

This fall you are going to begin receiving a lot of information about Medicare Prescription Drug Coverage (or Medicare Part D) from private companies wanting you to sign up for their Medicare plan. The information in this announcement is designed to help you understand how this coverage will work. Please keep in mind that the Plan will provide more information about your options for next year in late October. We encourage you to wait to receive this additional information before deciding whether to sign up for Medicare Prescription Drug Coverage through another provider.

This announcement:

- Provides an overview of how Medicare Prescription Drug Coverage will work.
- Summarizes standard Medicare Prescription Drug Coverage.
- Provides resources for more information.

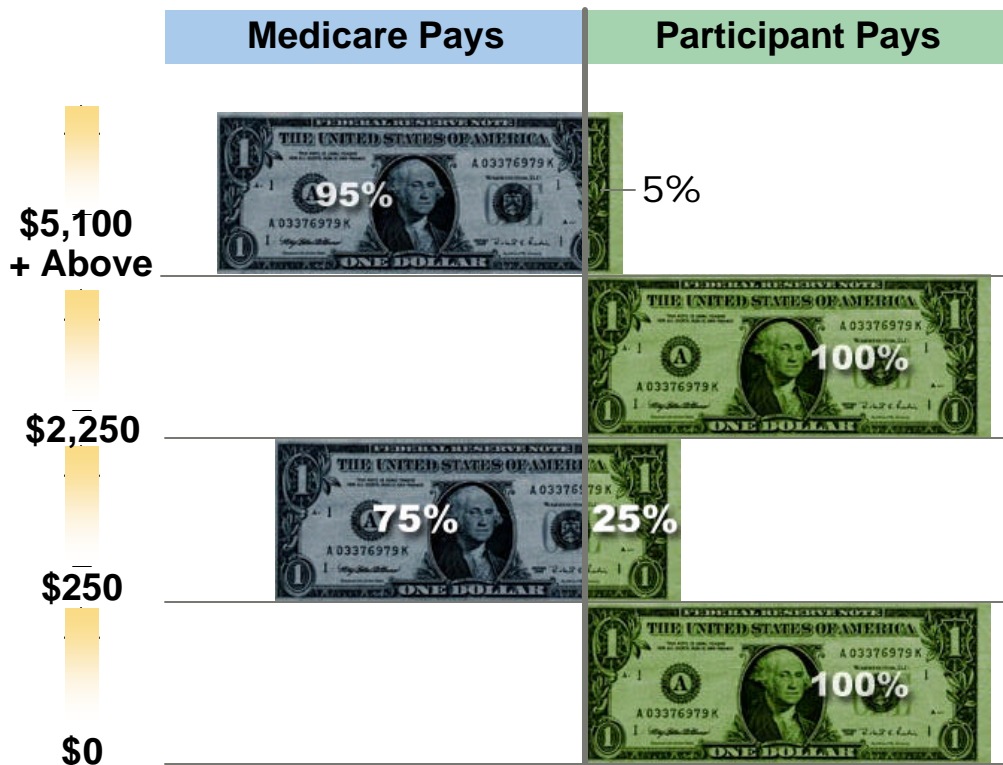
## Overview of How Medicare Prescription Drug Coverage Will Work

In response to the rising cost of prescription medications, Medicare developed Medicare Prescription Drug Coverage.

- **Who's Eligible.** Medicare Prescription Drug Coverage is voluntary and anyone who is eligible for and enrolled in Medicare (Part A and/or Part B) will have the opportunity to enroll for coverage. Generally this means people age 65 and older and younger people with certain disabilities.
- **Who Provides Coverage.** This coverage will be provided by private companies. Companies are scheduled to release details of their plans after October 1, 2005. Although all plans must meet the government's requirements, there will be differences between plans, including what medications are covered, what pharmacies can be used, and availability of a mail-order program. All plans will provide at least a standard level of coverage as set by Medicare.
- **Premiums.** There are monthly premiums that individuals must pay for Medicare Prescription Drug Coverage. Premiums will vary by plan. Companies that offer better benefits than standard Medicare coverage may require higher monthly premiums. Premiums can be deducted automatically from monthly Social Security checks or the company can bill you.
- **Enrollment Period.** If you have Medicare, you can enroll for Medicare Prescription Drug Coverage from November 15, 2005, through May 15, 2006. Each year after that, you will have the opportunity to enroll in a Medicare prescription drug plan between November 15 and December 31.
- **Penalty for Late Enrollment.** You may hear that there is a penalty in the form of higher Medicare premiums if you do not sign up for Medicare Prescription Drug Coverage right away. If you are covered under the Security Blue Medicare HMO (which provides better coverage, on average, than standard Medicare Prescription Drug Coverage), or become eligible for this coverage effective January 1, 2006, you will not need to pay a higher premium, as long as you stay in the Plan. If after May 15, 2006, you go 63 days or longer without prescription drug coverage that is at least as good as Medicare Prescription Drug Coverage, your monthly premium for Medicare Prescription Drug Coverage will increase.

## Summary of Standard Medicare Prescription Drug Coverage

- **Individual pays first \$250 of covered prescription expenses.** Medicare’s coverage includes a deductible of \$250 per person each year. That means an individual pays the first \$250 of prescription expenses before Medicare pays anything. This includes medications covered at a pharmacy or through a mail-order program.
- **Individual and Medicare share next \$2,000 of covered prescription expenses.** After an individual pays \$250 of prescription drug expenses in a year, Medicare pays 75% of the next \$2,000 of covered prescription costs. That means an individual pays 25%, which could mean paying up to \$500.
- **Individual pays 100% of next \$2,850 of covered prescription drug expenses.** After an individual has \$2,250 of covered prescription expenses, he or she pays 100% of the next \$2,850 of covered prescription expenses. Medicare pays nothing at this point.
- **Individual and Medicare share additional covered prescription expenses.** Once an individual pays \$3,600 (\$250 deductible + \$500 + \$2,850) of covered prescription expenses in a year, Medicare pays 95% for the remainder of the year. That means the individual pays 5% of covered prescription expenses for the rest of the year.



## For More Information

To get more information about Medicare Prescription Drug Coverage:

- Visit [www.medicare.gov](http://www.medicare.gov) for personalized help.
- Call your State Health Insurance Assistance Program (the telephone number will be included in the “Medicare & You 2006” handbook).
- Call 1-800-MEDICARE (1-800-633-4227). TTY users should call 1-877-486-2048.

For people with limited income and assets, extra help paying for Medicare Prescription Drug Coverage is available. Information about this extra help is available from the Social Security Administration (SSA) by:

- Visiting [www.socialsecurity.gov/prescriptionhelp](http://www.socialsecurity.gov/prescriptionhelp).
- Calling 1-800-772-1213. TTY users should call 1-800-325-0778.

For more information about the Greater Pennsylvania Carpenters’ Medical Plan’s prescription drug benefits, call the Fund Office at 1-412-922-5330 or 1-800-242-2539.

## In Conclusion

We will send you more information about your prescription drug options under the Plan in late October, including examples comparing the Plan’s coverage to standard Medicare coverage. Again, we are considering expanding HMO coverage into areas that do not currently have that coverage available. We suggest that you wait to receive more information from the Plan before you decide whether to sign up for Medicare Prescription Drug Coverage.

Sincerely,  
The Board of Trustees

You will receive a “Medicare & You 2006” handbook in the mail from Medicare. More detailed information about Medicare Prescription Drug Coverage is included in this handbook, which should be available beginning in October 2005. You will also receive information directly from Medicare prescription drug plans.

*Benefits under the Greater Pennsylvania Carpenters’ Medical Plan are not vested or guaranteed. They may be modified, reduced, or terminated at any time, as specified in the legal documents that establish the Plan. This announcement contains only a summary of certain Plan provisions. If there is a conflict between this brochure and the legal documents establishing the Plan, the legal documents will govern.*