

ALASKA CARPENTERS TRUST FUNDS

March 15, 2024

IMMEDIATE ACTION REQUIRED

RETIREE HEALTH COVERAGE WILL END MAY 31, 2024

Effective June 1, 2024, the Alaska Carpenters Trust Funds – Health and Welfare, Defined Benefit and Defined Contribution – are merging into the Southwest Carpenters Benefit Plans. Unfortunately, the Southwest Carpenters Benefit Plans do not include retiree health coverage. That means your medical, prescription drug and (if applicable) vision coverage will end as of June 1, 2024 for you and your dependents.

You need to take action to find other health coverage before June 1, 2024.

This decision was made after careful deliberation and weighing of the impacts on the entire membership. Merging our plans with the Southwest Carpenters Benefit Plans is an important step for the future sustainability of benefit programs for Alaska carpenters. Any time two organizations come together, there are tradeoffs. In this case, being the smaller group, the Alaska plans are folding into the Southwest benefit structure and that structure does not include retiree medical coverage.

The Alaska carpenters retiree health coverage was created because at the time it was difficult for retirees to get good coverage (especially before they were eligible for Medicare). However, much has changed regarding health insurance costs and availability since then. Now, retirees have multiple options for affordable and comprehensive coverage – both before and after they become eligible for Medicare.

With many good options now available, we are confident that you will be able to find coverage that meets your needs.

What This Means for You

- **You will need to find new health coverage effective June 1, 2024.**
- Your medical/prescription drug coverage, and vision coverage if enrolled, continues with no change through May 31, 2024 (as long as you remain eligible).
- If you are not yet eligible for Medicare, you will receive a transition Health Reimbursement Arrangement (HRA) to help with the change (see below for eligibility and details).

Although retiree health coverage was not a guaranteed benefit, we know this is surprising and difficult news. It may feel overwhelming to think about finding and choosing new coverage. The following pages have some information and tips to help you get started.

If You Are [Not Yet Eligible for Medicare](#)

If you qualify (see below), the Alaska Carpenters Health and Welfare Trust will set up a Health Reimbursement Account (HRA) for you and fund it up to \$400 per month per eligible non-Medicare retiree or dependent for a period of up to 36 months. This account may only be used to reimburse you for premiums paid for individual health insurance coverage.

Who qualifies for the HRA? The HRA is available to current and future retirees and their dependents who are not yet eligible for Medicare, to help bridge the gap between the date you retire and the date you become Medicare eligible. Alternatively, you may be eligible for a Premium Tax Credit (PTC) or Cost-Sharing Reduction (CSR), provided by the federal government. The PTC and CSR reduce the amount of the premium and out-of-pocket costs you pay for health insurance purchased through a state marketplace (see below). If you qualify, you will need to decide whether to accept the HRA or waive coverage and take the federal subsidy.

If you are currently enrolled in the Alaska Carpenters Health and Welfare Plan for Retirees and are not yet eligible for Medicare, you and your dependents will automatically be enrolled in the HRA. If you are automatically enrolled in the HRA, you and your dependents will be eligible for the HRA until you become Medicare eligible, or 36 months, if sooner. Future retirees and dependents will be eligible for the HRA for a period of up to 36 months or until Medicare eligibility, if sooner. The HRA is expected to end when the funding is exhausted or 2030.

Continue to Use Your Coverage as Usual Through May 31, 2024

As long as you remain eligible, your current coverage is effective through May 31, 2024. If you have questions about coverage or benefit claims, continue to contact the Administrative Office at 907-561-7575 or toll-free at 800 478 4431.

Finding Other Coverage

Retirees have many affordable and comprehensive healthcare options. Because you are losing your current coverage, you are eligible for a limited-time special enrollment period for coverage through an employer or the Health Insurance Marketplace.

Under 65 (not Medicare eligible)

If you are under 65, you have several options for obtaining medical insurance available to you, including some or all of the following:

- Your spouse's employer plan (if applicable);
- The Health Insurance Marketplace (contact [healthcare.gov](https://www.healthcare.gov) or your state's marketplace); and
- Private insurance (if you are in Alaska, you can find a list of licensed insurance professionals at <https://www.commerce.alaska.gov/web/ins/Consumers/Health/WaystoGetInsurance.aspx>; see the "Insurer or Agent" section under "Individual/Family Plan" for tips and a link to a searchable list)

The best option for you may depend on what type of medical plan you want, how long you will need the coverage, and your retirement income.

Coverage Through Your Spouse's Employer

If your spouse is employed, you may be able to obtain coverage through the group health plan offered by your spouse's employer. Check with your spouse's human resources or benefits department to determine whether you are eligible under your spouse's group health plan.

You'll also want to compare cost and coverage to other available options. Employers are not required to pay for spousal coverage, so coverage under your spouse's group health plan may or may not be the best option for you, depending on what your spouse's employer provides. Whether or not you choose to enroll in your spouse's group health plan, unless you have another qualifying event, you will most likely be locked into your decision until the start of the next plan year, so it is important to do your homework before deciding whether or not to enroll.

Health Insurance Marketplace

A great place to look for coverage is the Health Insurance Marketplace. The Affordable Care Act created this marketplace to make it easier to buy health coverage. Start by visiting www.healthcare.gov or your state's marketplace website.

State marketplaces offer different levels of standardized plans: In Alaska, they are bronze, silver and gold. Bronze plans have the lowest monthly premium, but you pay higher out-of-pocket costs when you receive healthcare services, while gold plans have the highest premiums but lower out-of-pocket costs. Other states offer different plan levels.

All marketplace plans provide "essential health benefits" (including prescription drug coverages) and many offer additional services and benefits, as well. Depending on where you live, there may be more than one insurance company selling these plans.

Private Insurance

You can find insurance companies and brokers selling individual medical policies (and dental or vision plans) on your state insurance commissioner's website. You can also go directly to health insurance company websites to find out about the individual coverage options they offer.

Be aware that private medical plans sold outside of the marketplace are often labeled as "short-term" plans, which may provide less comprehensive coverage. In limited cases, you may be able to get a plan that provides the "minimum essential coverage" that marketplace plans provide. Please be sure to confirm what's covered and what's not before you buy. Also note that, unlike coverage found in the state marketplaces, private insurance plans may decline to cover you.

Resources

- [Healthcare.gov](https://www.healthcare.gov) for the national health insurance marketplace and links to the state marketplaces.

- Kaiser Family Foundation Health Insurance Marketplace Calculator at <https://www.kff.org/interactive/subsidy-calculator/> for an estimate of health insurance premiums and subsidies for health insurance coverage through marketplaces.
- Your state insurance commissioner’s website
- Health insurance company websites
- Online or local insurance brokers

Over 65 (Medicare eligible)

If you are over 65 and eligible for Medicare and enrolled in Alaska carpenters retiree medical coverage, you should be enrolled in Medicare Part A and Part B – that won’t change. However, your Alaska carpenters retiree plan covers expenses that Medicare Parts A and B do not, such as prescription drugs. To replace the coverage provided by your Alaska carpenters retiree plan, you may want to enroll in a:

- **Medicare Advantage plan (Part C).** When you enroll in a Medicare Advantage plan, you get your Part A and Part B coverage through a private insurance plan. Plus, most (but not all) Medicare Advantage plans include prescription coverage.
- **Medigap plan.** In Medicare lingo, a Medicare supplemental plan is also known as a Medigap plan. Medigap plans do not cover prescriptions. This means that, to replace Alaska carpenters coverage, you would need to enroll in both a Medigap plan and a Medicare D drug plan.
- **Medicare Drug plan (Part D).** Medicare Drug plans cover only prescription drugs. If your Medicare Advantage plan does not cover prescriptions or you have a Medicare plan, you may want a Medicare Drug plan as well.

If you are not yet age 65 but eligible for Medicare due to disability, your options for coverage that supplements original Medicare are more limited. In Alaska, you may want to consider the Alaska Comprehensive Health Insurance Association (achia.com). If you live in elsewhere, check your state insurance commissioner’s website.

The various types of Medicare coverage have different rules and deadlines for enrollment. You will want to be sure to understand when you need to enroll in the type of coverage you choose. Enclosed is a certificate of creditable coverage that you can provide to your new plan to show that you’ve had continuous prescription coverage.

Resources

If you are wondering where to start your search, here are some resources to consider:

- Read the 2024 Medicare & You booklet – it is a great place to start and get a good foundation for your other research. Visit medicare.gov to view it online or download a copy. Contact Medicare for a duplicate booklet at 800-MEDICARE (800-633-4227).
- Medicare.gov has information and tools to help you find and compare plans.
- Get free personalized counseling about choosing your coverage through your State Health Insurance Assistance Program (phone numbers are available in your copy of Medicare & You or at www.medicare.gov/contacts).
- Check your local senior center for resources.
- Ask friends and family.
- Visit the AARP website (www.aarp.org/health/insurance) for articles, comparison guides and tools to help you understand your options for Medicare supplemental coverage and Medicare drug plans.

QUESTIONS?

If you have questions, contact the Alaska Carpenters Trust Funds Administrative Office at (907) 561-7575 or toll-free at (800) 478-4431.

This notice contains information about the Alaska Carpenters Trust Funds and the Southwest Carpenters Benefit Plans. Although we have made every effort to ensure this notice is accurate, provisions of the official plan documents will govern in case of any discrepancy.