

August 2005

IMPORTANT INFORMATION

Special Notice Concerning You and the PLAN And The New Medicare Part D Prescription Drug Coverage

**TO: ALL MEDICARE ELIGIBLE PARTICIPANTS OF THE
LABORERS' METROPOLITAN DETROIT HEALTH CARE FUND**

RE: MEDICARE PART D – PRESCRIPTION DRUG COVERAGE

Dear Participant:

We, the Trustees of the Laborers' Metropolitan Detroit Health Care Fund ("Plan"), are writing to inform you of IMPORTANT INFORMATION about how the new Medicare Part D Prescription Drug Benefit will affect you and your Plan. You may have already heard about the new Part D prescription drug benefit available from Medicare beginning on January 1, 2006 and you may even have received information from Medicare about this benefit. However, you have probably not heard about the subsidy option available to retiree health plans like yours that offer a prescription drug benefit. This subsidy is designed to help retiree health plans cover the increasing costs of providing prescription drug coverage to their participants and beneficiaries. **HOWEVER, THE PLAN WILL ONLY RECEIVE SUBSIDY PAYMENTS FOR INDIVIDUALS WHO DO NOT ENROLL IN A MEDICARE DRUG PLAN.**

Because the current prescription drug benefit offered to you through the Laborers' Metropolitan Detroit Health Care Fund is as good as or better than that available under a Medicare prescription drug plan, the Trustees have decided to continue the current prescription drug coverage for retirees and apply for the subsidy.

IN ORDER FOR YOUR PLAN TO RECEIVE THE MEDICARE PART D SUBSIDY -

DO NOT ENROLL IN A MEDICARE PRESCRIPTION DRUG PLAN

(over)

In addition to informing you about the subsidy, this letter is your Certificate of Creditable Coverage required under Medicare Part D. The prescription drug coverage under your retiree plan is considered “creditable” since it is, on average for all plan participants, expected to pay out as much as the standard Medicare prescription drug coverage will pay.

Under the new Medicare Part D law, as long as the prescription drug coverage you have under the Plan is as good as or better than that available under a Medicare prescription drug plan you will not be penalized with higher premium costs if you later decide to enroll in a Medicare prescription drug plan, unless you allow a 63-day or more gap between coverage under this Plan and Medicare Part D.

People currently covered under Medicare can enroll in a Medicare prescription drug plan from November 15, 2005 through May 15, 2006. However, because you have existing prescription drug coverage that, on average, is as good as Medicare coverage, you can choose to join a Medicare prescription drug plan later, generally with no premium penalty, if you so desire. Each year after that, you will have the opportunity to enroll in a Medicare prescription drug plan between November 15th through December 31st.

63-Day Rule

You should also know that if you drop or lose your coverage with the Plan and don't enroll in Medicare prescription drug coverage after your current coverage ends, you may pay more to enroll in Medicare prescription drug coverage later. For example, if after May 15, 2006, you go 63 days or longer without prescription drug coverage that's at least as good as Medicare's prescription drug coverage; your monthly premium will go up at least 1% per month for every month after May 15, 2006 that you did not have that coverage. For example, if you go nineteen months without coverage, your premium will always be at least 19% higher than what most other people pay. You'll have to pay this higher premium as long as you have Medicare coverage. In addition, you may have to wait until November 2006 or later to enroll.

For More Information

Contact the Fund Office at: (517) 321-7502 for further information if you have any questions. You may also find information about your retiree prescription drug coverage in your Summary Plan Description.

NOTE: You may receive this Creditable Coverage Notice at other times in the future such as before the next period you can enroll in Medicare prescription drug coverage, and if your retiree drug coverage changes. You also may request a copy of this Notice from the Fund Office if you lose or misplace this copy.

In the event you would like more detailed information about Medicare plans that offer prescription drug coverage, you can look in the “*Medicare & You 2006*” handbook, which is supposed to be available beginning in October 2005. You should get a copy of that handbook in the mail from Medicare. You may also be contacted directly by Medicare prescription drug plans. You can also get more information about Medicare prescription drug plans from the Medicare website at www.medicare.gov or your State Health Insurance Assistance Program (see your copy of the “*Medicare & You*” handbook for their telephone number), or by calling 1-800-MEDICARE (1-800-633-4227). TTY users should call 1-877-486-2048.

For people with limited income and resources, extra help paying for a Medicare prescription drug plan is available. Information about this extra help is available from the Social Security Administration (SSA). For more information about this extra help, visit SSA online at www.socialsecurity.gov

Sincerely,

Laborers' Metropolitan Detroit Health Care Fund
Board of Trustees

**SAVE THIS LETTER AS IT IS YOUR MEDICARE PART D
CERTIFICATE OF CREDITABLE COVERAGE**