



NATIONAL AUTOMATIC SPRINKLER INDUSTRY WELFARE FUND • PENSION FUND



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IMPORTANT NOTICE REGARDING THE OUT-OF-POCKET MAXIMUMS THAT APPLY TO YOUR MEDICARE ADVANTAGE PRESCRIPTION DRUG (MAPD) PLAN

Dear MAPD Plan Participant:

As you know, the Trustees of the National Automatic Sprinkler Industry (NASI) Welfare Fund partnered with Aetna® to offer you a comprehensive Medicare Advantage Prescription Drug (MAPD) Plan. The purpose of this letter is to clarify a unique feature of your MAPD plan, and how it operates in conjunction with federal law, so there is no confusion in future years.

\$2,900 Out-of-Pocket Maximum

By way of background, the NASI Welfare Fund's rules for active "Level 1" participants provide that if you incur \$2,900 in eligible in-network out-of-pocket expenses, you will have no further in-network out-of-pocket costs for the remainder of the current Plan Year and the following Plan Year (but for your annual Deductible for the following Plan Year). For example, if you hit the out-of-pocket maximum during the 2022 Plan Year, you would receive 100% coverage, with no out-of-pocket costs, for the remainder of 2022 and the entire 2023 Plan Year (but for your Deductible for the 2023 Plan Year).

Under the Aetna® MAPD Plan, you receive 100% coverage for all medical expenses covered by Medicare. You may, however, incur out-of-pocket expenses for eligible prescription drugs. Consistent with the NASI Welfare Fund's rules for active participants, if you incur \$2,900 in out-of-pocket expenses for eligible prescription drugs, you will have no further out-of-pocket costs for prescription drug benefits for the remainder of the current Plan Year and the following Plan Year.

Special (Potentially Lower) MAPD Plan Out-of-Pocket Maximum | The Catastrophic Threshold

Your MAPD Plan also includes a special, separate out-of-pocket maximum referred to as the *catastrophic threshold*. The rules for determining whether you have met the catastrophic threshold are very complicated. They account for amounts you pay out of your own pocket *and* amounts paid on your behalf for covered drugs through, for example, programs that offer manufacturer discounts for such drugs.

Importantly, it is possible for you to reach the catastrophic threshold *before* you reach your out-of-pocket maximum of \$2,900. If this occurs, you will have no further out-of-pocket costs for prescription drug benefits for the remainder of 2024 *even though you haven't met your out-of-pocket maximum of \$2,900*. As a result, under the MAPD Plan, it is possible for you to pay less out-of-pocket for prescription drugs during a Plan Year than you would have paid out-of-pocket as an active participant.

However, if you reach the catastrophic threshold during 2024 and, as a result, do not reach your out-of-pocket maximum of \$2,900, you will have no further out-of-pocket costs for prescription drug benefits for the remainder of 2024 only. Under these circumstances, your out-of-pocket maximum will reset in 2025, meaning that you will be responsible for paying some portion of your covered prescription drugs during 2025.

\$2,000 Out-of-Pocket Maximum for the 2025 Plan Year

Finally, you should be aware that recent changes to federal law require your MAPD Plan to impose an out-of-pocket maximum for prescription drug benefits in the amount of \$2,000 effective January 1, 2025. If you reach this lower

out-of-pocket maximum during 2025, you will have no further out-of-pocket costs for prescription drug benefits for the remainder of 2025 only. Your out-of-pocket maximum for prescription drug benefits will then reset in 2026, meaning that you will be responsible for paying some portion of your covered prescription drugs during 2026.

Conclusion

The Trustees will continue to monitor and manage the Fund's resources in an effort to ensure that it is able to provide high quality health coverage to members and their families for years to come. As always, if you have any questions about this correspondence, or the Fund in general, please feel free to contact the Fund Office.

This notice is intended as a non-technical summary of certain rules applicable to benefits offered by the NASI Welfare Fund, so it does not contain all the details. In the event of a discrepancy between this notice and the official MAPD Plan documents, the official MAPD Plan documents, as interpreted and applied by Aetna®, will prevail. The Trustees reserve the right to modify the benefits offered by the NASI Welfare Fund at any time.