



December 29, 2011

OGB transitions to new Medicare Part D prescription coverage with wrap-around

On January 1, 2012, the Office of Group Benefits will move to a new Medicare Part D prescription drug plan for some members that includes supplemental coverage to provide benefits in the coverage gap or “donut hole.” The new plan is administered by Medco.

Enrollment is automatic (at no extra cost) for any member who:

- Is retired;
- Has Medicare Part A and/or Part B coverage; and
- Is enrolled in the OGB PPO or Blue Cross HMO health plan.

The change does not affect members who are still working, disabled dependents, dependent children or members enrolled in other OGB health plans.

Why OGB made this change

Federal subsidy dollars are important because the money helps OGB offset rising health care costs and minimize future premium increases. For several years, OGB has received a federal Retiree Drug Subsidy (RDS) for providing prescription coverage to retired members with Medicare, but this subsidy is being phased out. By transitioning these OGB members to OGB’s new Medco Medicare prescription drug plan for 2012, OGB qualifies to receive the new Employer Group Waiver Program (EGWP) subsidy.

What the change means

Members affected by the transition can expect to see very little, if any, change in prescription benefits.

- Supplemental coverage with benefits in the coverage gap or “donut hole” means members have more drug coverage than standard Medicare D plans:
 - No change in drug co-insurance
 - Continued availability of diabetic supplies at \$0 co-pay
 - Little or no change in the pharmacy network
 - Continued coverage for most prescriptions now covered by Catalyst Rx

- Coverage for some drugs not previously covered
 - Quantity limits that may be different
 - Prescription fill limits of up to 31, 62 and 93 days (instead of 30, 60 and 90 days)
 - Up to a 93-day fill at many network retail pharmacies – without a 31-day wait.
- Prescriptions that previously required prior authorization probably require a new prior authorization. (Catalyst Rx sent each affected member a letter listing prescriptions that require a new prior authorization, which the member has 30 days to obtain.)
 - Affected members now have two OGB ID cards – one for medical benefits and a second for prescription benefits only. Retirees in other health plans who are not affected did not receive a Medco ID card.

Low-income subsidy

Affected low-income members may qualify for a Medicare subsidy (known as “extra help”) to help pay prescription co-payments and reduce the prescription portion of the member’s health plan premium. Eligibility is determined by the federal Centers for Medicare and Medicaid Services (CMS). The CMS guidelines for 2012 allow a maximum annual income of \$13,070 for one person, or \$26,120 for a married couple, to qualify for the subsidy.

CMS-required mailings

Medco is mailing information to affected members to explain the new Medco Medicare prescription drug plan and supplemental coverage. Much of this information is required by CMS and contains language that may be confusing and may not apply to your OGB coverage. OGB encourages members to carefully read and save all of this information.

Consequences of opting out

The letters affected members receive in the mail from Medco include CMS-required “opt-out” language that explains how to opt out of OGB’s Medco Medicare Part D drug coverage. **OGB strongly recommends not opting out of OGB’s Medco Medicare Part D coverage.** **By opting out of OGB’s Medco Medicare Part D prescription drug plan, affected members automatically opt out of all of their OGB health and prescription drug coverage** – for themselves and their family members.

CMS enrollment rules for Medicare plans

CMS rules allow each person to be enrolled in only one Medicare-type plan. Because affected members have been enrolled automatically in OGB’s Medicare Part D prescription plan effective January 1, **OGB also strongly recommends not purchasing or enrolling in:**

- An individual Medicare Advantage plan; or
- A non-OGB group Medicare Advantage plan; or

- Another Medicare Part D plan for drug coverage only.

If you have been enrolled automatically, signing up for ANY individual Medicare plan cancels your current OGB health and prescription coverage – and could leave you and your covered family members without any OGB health and prescription coverage! OGB urges you to contact OGB Customer Service before opting out to be sure you fully understand the consequences of your decision.

If you have questions about your new OGB Medco Medicare Part D prescription drug coverage for 2012, call Medco toll-free at 1-866-808-5271 or 1-800-716-3231 (TTY/TDD). Customer service representatives are available 24 hours a day, 7 days a week.