



COMMONWEALTH OF VIRGINIA
DEPARTMENT OF HUMAN RESOURCE MANAGEMENT

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To: State Retiree Health Benefits Program Extended Coverage Participants Eligible for Medicare

From: Mary P. Habel, Director
State and Local Health Benefits Programs

Date: November 22, 2004

Re: --Medicare-Coordinating Plan Monthly Extended Coverage Premium Rates Effective January 1, 2005
--Changes in Administration of Prescription Drug Benefit for 2005
--Program Updates

IMPORTANT INFORMATION: Please be sure to read these materials carefully to ensure that you understand premium and administrative changes that will take place in 2005.

Premium Rates for 2005: Monthly premium rates for 18 and 36-month Medicare-eligible Extended Coverage participants are listed below and will be effective January 1, 2005. You will be billed for your new January premium starting in December.

Plan*	Current (2004) Single Premium	Your New 2005 Premium
Advantage 65	\$249	\$299
Advantage 65 + Dental/Vision	\$276	\$326
Medicare Complementary (Option I)	\$220	\$264
Medicare Supplemental (Option II)	\$308	\$323
Option II + Dental/Vision	\$336	\$351

*All State Retiree Health Benefits Program Medicare-coordinating plan medical, dental and vision benefits are administered by Anthem Blue Cross and Blue Shield. **See page two for more information about administration of your prescription drug benefit.**

No Copayment, Coinsurance or Benefit Changes: All copayment/coinsurance levels and benefits will remain unchanged for 2005. However, while your plan benefit will not change, the Medicare Part B annual deductible will go up from \$100 to \$110 in 2005. Even though the plan provisions have not changed, since Advantage 65 starts supplemental medical benefits after the annual Part B deductible is met, this does result in an additional \$10 in annual deductible responsibility.

IMPORTANT—CHANGE IN PRESCRIPTION DRUG ADMINISTRATION:

Advantage 65 and Medicare Complementary (Option I) Participants--Effective January 1, 2005, prescription drug benefits under these plans will be administered directly by **Medco**. This means that **you will receive a separate Medco prescription drug card in addition to your medical card from Anthem Blue Cross and Blue Shield. Starting January 1, you will need to present your Medco card at your participating pharmacy in order to use your prescription drug benefit. If you present your Anthem ID card at the pharmacy after December 31, you will be denied prescription drug benefits.** In addition, Anthem will not be able to assist you with your prescription drug benefits for any services after December 31. You should receive your **Medco** card by **December 27** and your **Anthem** card by **December 28, 2004**.

If you have not received your Medco card by the above date, please contact Medco at 1-800-355-8279. All drug pre-authorizations and existing refill information will transfer to the Medco system. If you are using the Home Delivery Pharmacy, you may continue to use the same Medco web site and toll-free number that you have used in 2004 to obtain pricing information and refills. However, you may go directly to the Medco Web site at www.medcohealth.com instead of accessing the Web site through Anthem. If you have not received your Anthem card by the above date, contact Anthem at 1-800-552-2682 or, if calling from the Richmond area, (804) 355-8506.

Medicare Supplemental (Option II) Participants—Medical benefits for this plan, including prescription drug benefits, will continue to be administered by Anthem Blue Cross and Blue Shield. **You will not receive a Medco card, but you will receive a new Anthem Card for use starting January 1, 2005.** If you do not receive your new card by December 28, 2004, please contact Anthem at 1-800-552-2682 or, if calling from the Richmond area, (804) 355-8506. You should present your new Anthem card at a participating pharmacy for any prescription drugs obtained after December 31, 2004. Prescription drug program information is located in the upper right corner of your Anthem ID card. You will also receive some program reminders along with your Anthem ID card. Be sure to refresh your memory about the **Automatic Drug Claim Filing Process** that is available to Option II participants.

Making Allowable Plan Changes: If you wish to maintain your current plan, no action on your part is necessary. Your new monthly premium will automatically be billed in the usual manner.

If you wish to make an allowable change in your coverage per plan provisions, your completed enrollment form must be received between December 1 and December 31, 2004, to ensure a January 1, 2005, effective date. A form is enclosed for your use. Completed forms should be sent to:

Program Manager
State Retiree Health Benefits
101 N. 14th Street, 13th Floor
Richmond, VA 23219

ID Cards: As indicated on page one, Advantage 65 and Option I participants will receive two identification cards: one from Anthem for medical (and dental/vision benefits, if covered under your plan) and one from Medco for prescription drug benefits. Be sure to use your new cards for services starting January 1, 2005.

If you are enrolled in Medicare Supplemental (Option II), you will receive only one new ID card from Anthem Blue Cross and Blue Shield. This should be used for all services starting January 1, 2005. You will not receive a separate prescription drug ID card.

To ensure that participants have new cards for January 1, cards will be generated in December based on December's enrollment information. If you make a change in your coverage after generation of your new card(s), an updated card (or cards) will be received in approximately ten days from the date that your enrollment form is received.

Member Handbook Updates: A "Notification of Changes" to your Member Handbook(s) will be enclosed with your new Anthem ID card. These describe recent eligibility and administrative updates that affect your plan. Please review these changes carefully and keep them with your handbook(s). Complete new handbooks will not be issued at this time.

UUUUNewsletter: Please take a moment to read the enclosed *Open Forum* newsletter, which contains items of interest directed at Medicare-eligible participants.

Enclosures:

Open Forum Newsletter
Enrollment Form