



Open Forum

For Retiree Group Members in the Commonwealth of Virginia's Health Benefits Program

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More Information About Your 2010 Premium

In general, total premiums for Medicare-primary plans under the State Retiree Health Benefits Program remained relatively stable between 2009 and 2010. As described in your rate notification booklet, some premiums have actually decreased. Following is the actual amount and percentage of change from 2009 to 2010 by plan:

Plan	Increase or Decrease from 2009 to 2010	Percent change from 2009 to 2010
Advantage 65	(-\$12)	(-4.4%)
Advantage 65 + Dental/Vision	(-\$10)	(-3.4%)
Medicare Complementary (Option I)	(-\$7)	(-2.8%)
Medicare Supplemental (Option II)	+\$3	+ .9%
Option II + Dental/Vision	+\$5	+1.5%
Advantage 65—Medical Only	+\$2	+1.6%
Advantage 65—Medical Only + Dental/Vision	+\$4	+2.6%

To help you better understand your premium, the following chart breaks down 2010 monthly premiums by type of benefit within each plan.

Plan – Single Membership	Medical Supplement Cost	Dental/Vision Option Cost	Prescription Drug Option Cost	TOTAL 2010 PREMIUM
Advantage 65	\$130		\$128	\$258
Advantage 65 + Dental/Vision	\$130	\$27	\$128	\$285
Medicare Complementary (Option I)	\$119	(included with medical)	\$128	\$247
Medicare Supplemental (Option II)	\$193		\$128	\$321
Option II + Dental/Vision	\$193	\$27	\$128	\$348
Advantage 65—Medical Only	\$130			\$130
Advantage 65—Medical Only + Dental/Vision	\$130	\$27		\$157

Medical supplement: This component of the total monthly premium increased for 2010 for all plans as follows:

- Advantage 65 Plans = \$2 increase per month
- Medicare Complementary (Option I) = \$7 increase per month (includes routine dental/vision)
- Medicare Supplemental (Option II) = \$17 increase per month

Dental/Vision Option: This component of the total monthly premium increased by \$2 per month for those in the Advantage 65 Plans and Medicare Supplemental (Option II) Plans who have elected this option.

Outpatient Prescription Drug (Medicare Part D) Option: This component of the total monthly premium decreased by \$14 per month for those in the plans that include Medicare Part D coverage (all but the medical-only plans). This decrease offset most increases in the medical and dental/vision components.

In general, these premium increases or decreases reflect changes in claims cost that drive the amount of premium that is required to fund the program. Since retirees pay the full cost of their health plan premium (not including any Health Insurance Credit that may be payable as a separate benefit), claims cost directly affects the amount of the premium that participants must pay so that the program can pay those claims. An increase in claims results in the need to increase premiums required to fund program costs. A decrease in claims will have the opposite effect.

Participants in the Option I and Option II plans will note that they experienced the greatest increase in the medical premium component. They will recall information included with their 2008 rate notification booklet that discussed the impact of these smaller plan populations based on increased claims cost. **Remember:** Option I and Option II participants can move to the Advantage 65 Plan prospectively at any time.

Medicare Part D Coverage (for those enrolled in the state program's plan)

Since the introduction of Medicare Part D in 2006, the Department of Human Resource Management's Office of Health Benefits has provided information to its Medicare-eligible participants to ensure that they understand their increased flexibility regarding Medicare Part D drug plan choices. State Retiree Health Benefits Program participants can elect to get their drug coverage through the program's enhanced Medicare Part D plan, or they can elect medical-only coverage and obtain drug coverage through a plan outside of the state program. However, if participants do not initially elect drug coverage when selecting a Medicare-coordinating plan or cancel drug coverage at any time, they may not elect drug coverage through the state program later. This limitation protects the plan from adverse selection. This means that participants will not be able to drop the state program's enhanced coverage when they have low claims cost and then pick it up when they need a higher level of coverage. Allowing that would likely result in higher premiums for everyone.

As you review your drug coverage decision for 2010, following is some information that may assist you:

- According to the Medicare web site, there are 44 Medicare prescription drug plans (PDPs) available in Virginia for 2010. (These do not include the state program's Part D plan which is not available to all Medicare beneficiaries.) Participants living outside of Virginia can get the same information regarding plans available in their own area by going to www.medicare.gov or calling 1-800-MEDICARE.
- Out of the 44 plans available in Virginia, 42 have been priced for a monthly premium. The average monthly premium for those 42 plans is \$46.74 per month.
- The lowest-cost plan is \$16.30 per month. The highest-cost plan is \$97.90 per month. (Remember, the state program's drug premium is \$128 per month.)
- Nine of the non-state program plans have some coverage during the coverage gap (the "doughnut hole"). All but one of these include coverage for generics (either all, some or many generics). Only one plan indicates coverage for "few brands". (Remember, the state program's drug plan does not have a coverage gap.)
- There are 27 plans outside of the state program that offer a lower annual deductible than the state program (which is \$310 for 2010—brand drugs only), 17 of which have a \$0 deductible. For complete information, consult the individual plan.
- All plans, including the state program, have a formulary, a list of covered drugs. Formularies will differ from plan to plan, so be sure you know what drugs are covered before making any plan selection.
- The three Medco plans that are available through Medicare are not the same Medco plan that is a part of the state program.
- There are 76 Medicare Health Plans available in Virginia (see your enclosed booklet for more information about the impact of enrolling in Medicare Advantage plans).
- You can drop the state program's Part D coverage prospectively at any time, and that will allow you to enroll in other Part D coverage by exercising a special enrollment opportunity.

Prescription Drug Plan Resources

To obtain information regarding non-state-program Medicare Part D Prescription Drug Plans, go the Medicare Web site at www.medicare.gov or call 1-800-MEDICARE. In Virginia, you may also seek assistance from the Virginia Insurance Counseling and Assistance Program (VICAP) by calling the Virginia Department for the Aging at 1-800-552-3402. If you do not live in Virginia, contact 1-800-MEDICARE to identify Medicare Partners in your area.

Changing Your Prescription Drug Plan

If you wish to drop the state program's enhanced Medicare Part D coverage, please submit your enrollment form or make a plan change on-line through EmployeeDirect to elect an Advantage 65—Medical Only Plan. If you choose non-state-program prescription drug coverage but do not notify the state program, Medicare will automatically disenroll you from the state program's Medicare Part D plan, but there could be a delay in your premium update. Your Annual Premium Rate Notification booklet provides complete information about making allowable changes.