



**COMMONWEALTH OF VIRGINIA**  
**DEPARTMENT OF HUMAN RESOURCE MANAGEMENT**

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To: Medicare Complementary/Option I and Medicare Supplemental/Option II Enrollees (or Enrollees who cover dependents in the Option I or Option II Plans)

Date: November 5, 2008

The following information is being provided as a part of the 2009 Annual Premium Rate Notification to assist you in making an informed supplemental health plan decision for 2009.

As you know, the Option I and Option II Plans are available only to current participants. These plans are not available to new Medicare-eligible retiree group participants or existing participants who become eligible for Medicare. At this time, the populations of these two grandfathered plans are as follows:

<b>Plan</b>	<b>Participants as of 9/30/08</b>
Medicare Complementary/Option I	2,819
Medicare Supplemental/Option II	3,746
Medicare Supplemental/Option II + Dental/Vision	796
<b>TOTAL</b>	<b>7,361</b>

This represents only 26% of the total Medicare-primary health plan population.

Because the number of participants in these plans is relatively small, risk is spread over a smaller group, and the impact of high-claims-cost participants on premium level is greater. If you compare the premium cost of Option I and Option II to the premium cost of the Advantage 65 Plan, you will notice the following issues that may affect your plan choice (see page two of your 2009 Rate Notification booklet for a breakdown of all premium costs by type of benefit):

- The total Option I premium is \$41 per month less than the Advantage 65 + Dental/Vision premium. However, Option I participants pay \$1,000 in professional and other Part B services before they receive any benefit for those services. Advantage 65 participants receive their supplemental benefit for professional and other Part B services after paying only the Medicare Part B deductible (\$135 in 2009). Review your 2008 claims to see if an Advantage 65 Plan may be more cost effective for you.
- The Option II medical supplement cost is \$48 more than the Advantage 65 medical supplement premium, even though many benefits are the same and only a small number of participants use the additional benefits offered by the Option II Plan. Review your 2008 claims to see if the Advantage 65 Plan may be more cost effective for you.

Other considerations:

- Option I medical benefits include routine dental/vision without paying additional premium (as noted above in comparing Option I to Advantage 65 + Dental/Vision). However, Advantage 65 does offer the flexibility of an option without routine dental and vision.
- Option II pays the Medicare Part B annual deductible (\$135 for 2009) while Advantage 65 participants are responsible for paying the deductible.

As you consider your options for 2009, you are encouraged to review your Member Handbook for Medicare-Coordinating Plans, which includes the differences in plan benefits between Option I, Option II and Advantage 65. After you compare plan benefits, review your own claims history to see if the plan in which you are currently enrolled is the best plan for your individual needs. The above comparisons are not meant to provide an answer for every participant since, ultimately, you must choose the plan with which you are comfortable based on your own risk tolerance and personal preferences. However, the Department of Human Resource Management hopes that this information will help you make an informed decision. Information regarding plan options outside of the state program is available at [www.medicare.gov](http://www.medicare.gov) or by calling 800-MEDICARE.

Option I and Option II participants can move between Option I and II prospectively at any time and can move to an Advantage 65 Plan prospectively at any time. However, once a participant leaves Option I and Option II to elect Advantage 65 coverage, he or she may not return to Option I or Option II. Medicare-primary plan participants (Enrollees and dependents) may make separate plan elections.