

Medco Medicare Prescription Plan®(PDP)

Commonwealth of Virginia
Retiree Health Benefits Program

***Medco Medicare Prescription Plan*® (PDP) for the Commonwealth of Virginia Retiree Health Benefits Program Annual Notice of Changes for 2011**

This booklet tells you how your benefits and costs as a member of **Medco Medicare Prescription Plan**® (PDP) for the Commonwealth of Virginia Retiree Health Benefits Program will change next year from your current benefits. The changes take effect on January 1, 2011.

To decide what's best for you, compare this information we're sending with the benefits and costs of other Medicare prescription drug plans in your area, as well as the benefits and costs of Medicare Advantage Plans. If you enroll in other Medicare prescription drug coverage, this coverage will be cancelled.

Medco Medicare Prescription Plan (PDP) Customer Service:

For help or information, please call Customer Service at **1-800-572-4098**.

TTY/TDD users call **1-800-716-3231**.

Customer Service is available 24 hours a day, 7 days a week. Customer Service is available in English and other languages. Calls to these numbers are free.

You may also visit our plan website at **www.medco.com**.

This Plan is offered by Medco Containment Life Insurance Company and Medco Containment Insurance Company of New York, referred to throughout the Annual Notice of Changes as “we,” “us,” or “our.” **Medco Medicare Prescription Plan (PDP)** is referred to as “Plan” or “our Plan.”

A Medicare-approved Part D sponsor

This information is available in different formats, including braille. Please call Customer Service at the numbers listed above if you need plan information in another format.

If you remain enrolled in *Medco Medicare Prescription Plan* (PDP) for the Commonwealth of Virginia Retiree Health Benefits Program for 2011, there will be some changes to your benefits and what you pay.

You are currently enrolled as a member of **Medco Medicare Prescription Plan** (PDP) for the Commonwealth of Virginia Retiree Health Benefits Program. We are pleased to be providing your Medicare prescription drug coverage. There are also other Medco Medicare prescription drug plans available to you, which are not associated with the state program.

Each year, Medicare health plans may decide to adjust their offerings to reflect annual changes in medical costs and payment rates. Plan adjustments can include changing premiums and cost-sharing amounts and adding or subtracting benefits. We're sending you this Annual Notice of Changes to tell you how your benefits and costs as a member of this **Medco Medicare Prescription Plan** (PDP) will change next year from your current benefits. The changes take effect on January 1, 2011. Medicare has approved these changes.

What should you do?

We want you to know what's ahead for next year, so **please read this document very soon to see how the changes in benefits and costs will affect you if you stay enrolled in this *Medco Medicare Prescription Plan* (PDP) for 2011.**

With this Annual Notice of Changes, we are notifying you of all plan changes for the coming year. You will also get information from Medicare about other plan options in your area. To decide what's best for you, compare this information with the benefits and costs of other plans in your area.

You can find information about other (non-state program) plans available in your area by visiting the Medicare website (<http://www.medicare.gov>). The Medicare website includes information about plans' benefits and costs, as well as information about how Medicare rates the plans in different categories (for example, ratings from members about customer service). If you have access to the Web, you may use the web tool on <http://www.medicare.gov> by clicking on the "Health and Drug Plans" button and then choosing "Compare Drug and Health Plans & Medigap Policies." You may also call us at the numbers on the cover of this document to obtain a copy of the plan ratings for this Plan.

We hope to keep you as a member of **Medco Medicare Prescription Plan** (PDP). But if you want to make a change for 2011, see **When can you change to a different plan?** in **Section 4** for more information.

Table of Contents

Section 1. Important things to know.....	4
This Annual Notice of Changes is only a summary (See your Evidence of Coverage for the details.).....	4
There are programs to help people with limited resources pay for their prescription drugs.....	4
What if you are currently getting help to pay for your drugs?.....	4
 Section 2. Changes to your monthly premium.....	 5
 Section 3. Part D prescription drugs: Changes to your benefits.....	 5
Changes to your <u>benefits</u>	5
What if changes for 2011 affect drugs you are taking now?.....	8
 Section 4. Do you want to stay in the Plan or make a change?.....	 8
Do you want to stay with Medco Medicare Prescription Plan (PDP)? ..	8
Do you want to make a change?.....	9
 Section 5. Do you need some help? Would you like more information?.....	 10
We have information and answers for you.....	10
You can get help and information from your State Health Insurance Assistance Program (SHIP).....	10
You can get help and information from Medicare.....	10

Section 1. Important things to know

This Annual Notice of Changes is only a summary (see your Evidence of Coverage for the details)

This Annual Notice of Changes gives you a summary of the changes in your benefits and what you will pay for these services in 2011. The benefit information provided herein is a brief summary, not a comprehensive description of benefits. For more information, contact the Plan or look in your Evidence of Coverage.

- To get the details, you can look in the 2011 Evidence of Coverage for **Medco Medicare Prescription Plan (PDP)** for the Commonwealth of Virginia Retiree Health Benefits Program. The Evidence of Coverage is the legal, detailed description of your benefits and costs for 2011. It explains your rights and the rules you need to follow to get your prescription drugs. (We have included a copy of the Evidence of Coverage in the same envelope with this Annual Notice of Changes. If you did not receive this, call Customer Service.)
- If you have questions or need more information, you can call Customer Service at the numbers listed on the cover of this booklet, 24 hours a day, 7 days a week. Customer Service is available in English and other languages.

There are programs to help people with limited resources pay for their prescription drugs

You might qualify to get help in paying for your drugs. There are two basic kinds of help:

- **Extra Help from Medicare.** This program is also called the “low-income subsidy,” or LIS. People whose yearly income and resources are below certain limits can qualify for this help – see Section III of the new “Medicare & You 2011” handbook or call 1-800-MEDICARE (1-800-633-4227). TTY/TDD users should call 1-877-486-2048. You can call these numbers free, 24 hours a day, 7 days a week.
- **Help from your state’s pharmaceutical assistance program.** Many states have State Pharmaceutical Assistance Programs (SPAPs) that help some people pay for prescription drugs based on financial need, age, or medical condition. Each state has different rules. Check with your State Health Insurance Assistance Program (the name and phone numbers for this organization are in **Chapter 2, Section 3** of your Evidence of Coverage).
- **Your annual rate notification from the Commonwealth of Virginia Retiree Health Benefits Program also includes information about the impact of Extra Help on your state program coverage.**

What if you are currently getting help to pay for your drugs?

If you already get help paying for your drugs, **some of the information in this Annual Notice of Changes is not correct for you.** If this applies to you, we have included a separate insert, called the

“Evidence of Coverage Rider for People Who Get Extra Help Paying for Prescription Drugs” (LIS Rider), that tells you about your drug coverage. If you are receiving Extra Help but don’t have this insert, please call Customer Service and ask for the “Evidence of Coverage Rider for People Who Get Extra Help Paying for Prescription Drugs” (LIS Rider). Phone numbers for Customer Service are on the front cover of this booklet.

Section 2. Changes to your monthly premium

Your prescription drug plan premium will continue to be billed or deducted by the Commonwealth of Virginia Retiree Health Benefits Program as part of your total health benefits premium. The Commonwealth of Virginia will be sending you a letter including your 2011 premium in November.

Exceptions:

- Under most Part D plans, if you are required to pay a late enrollment penalty (because you went at least 63 days without Part D or other “creditable” prescription drug coverage anytime after the end of your Part D Initial Enrollment Period), your monthly premium for 2011 will include the amount of your late enrollment penalty. However, the Commonwealth of Virginia may not currently collect this penalty. For more information about this penalty in general, see **Chapter 4** of your Evidence of Coverage.
- Most people will pay their standard monthly Part D premium. However, starting January 1, 2011, some people will pay a higher premium because of their yearly income (over \$85,000 for singles--2010, \$170,000 for married couples--2010). This additional premium will not be collected by the Commonwealth of Virginia and will be collected by Medicare. For more information about Part D premiums based on income, you can visit medicare.gov on the Web or call 1-800-MEDICARE (1-800-633-4227), 24 hours a day, 7 days a week. TTY/TDD users should call 1-877-486-2048. You may also call the Social Security Administration at 1-800-772-1213. TTY/TDD users should call 1-800-325-0778.

Section 3. Part D prescription drugs:

Changes to your benefits

Changes to your benefits

Medco Medicare Prescription Plan (PDP) has a “List of Covered Drugs (Formulary)” – or “Drug List” for short. It tells which Part D prescription drugs are covered by the Plan. (**Chapter 3, Section 1.1** of your Evidence of Coverage explains about Part D drugs.)

We may make changes to the plan’s Drug List from time to time throughout the year. In addition, there are a number of changes to the Drug List that will take effect on January 1, 2011. Be sure to check the tier status of your current drugs so that you can take any necessary action to address changes that will occur on January 1. Changes to the plan’s Drug List have been approved by Medicare.

- **We have added some new drugs to the list and removed others.**
- We have added some new drugs that became available.
- We have replaced some brand-name drugs with new generic drugs.
- We have moved some drugs to different tiers.

	2010 Plan through December 31, 2010	2011 Plan effective January 1, 2011
<p>Yearly Deductible Stage</p> <p>During the yearly Deductible stage, you must pay the full cost of your covered brand-name drugs until you have reached the limit for this stage. This stage does not apply to covered generic drugs.</p> <p>Once you have paid your deductible, you move to the Initial Coverage stage for covered brand-name drugs.</p> <p>Initial Coverage Stage</p> <p>During the Initial Coverage stage, the Plan pays its share of the cost of your covered drugs, and you pay your share (your co-payment or coinsurance).</p> <p>You stay in this stage until the cost of your covered Part D drugs reaches the limit for this stage. Once you reach this limit, you move to the Coverage Gap stage.</p>	<p>There is a \$310 deductible for covered brand-name drugs (no deductible for generics)</p> <p>You pay the first \$310 of covered brand-name Part D drugs before the Plan will pay its share.</p> <p>This stage applies until you have paid \$4,550 in true out-of-pocket costs for covered drugs.</p>	<p>There is a \$310 deductible for covered brand-name drugs (no deductible for generics)</p> <p>You pay the first \$310 of covered brand-name Part D drugs before the Plan will pay its share.</p> <p>This stage applies until you and the Plan have paid \$2,840 in total drug costs.</p>

	2010 Plan through December 31, 2010	2011 Plan effective January 1, 2011
<p>Coverage Gap Stage</p> <p>During the Coverage Gap stage, the Plan pays its share of the cost of your covered drugs and you pay your share (your co-payment or coinsurance).</p> <p>You stay in this stage until your true out-of-pocket costs for covered Part D drugs reaches the limit for this stage. Once you reach this limit, you move to the Catastrophic Coverage stage</p>	<p>There is no Coverage Gap stage in 2010.</p>	<p>During the Coverage Gap stage, you will pay your standard co-payment for most generic drugs, but your co-payment or coinsurance will increase for covered brand-name drugs. However, this increase will generally be offset by the Medicare Coverage Gap Discount Program.* You stay in this stage until your true out-of-pocket costs reach \$4,550.</p>
<p>Catastrophic Coverage Stage</p> <p>During the Catastrophic Coverage stage, the Plan will be paying most of the cost for your covered Part D drugs.</p> <p>You stay in this stage until the end of the calendar year.</p>	<p>Once you have reached this stage, you pay</p> <p>a \$2.50 co-payment for a covered generic drug (including a brand drug treated as a generic), a \$6.30 co-payment for all other covered drugs, or a 5% coinsurance, whichever is more.</p>	<p>Once you have reached this stage, you pay</p> <p>a \$2.50 co-payment for a covered generic drug (including a brand drug treated as a generic), a \$6.30 co-payment for all other covered drugs, or a 5% coinsurance, whichever is more.</p>

The coinsurance/co-payment amount you pay for covered drugs during the Initial Coverage stage will be exactly the same in 2011 as it is in 2010. However, please be sure to check the tier status of your drugs in the enclosed formulary to determine if a tier change will impact your costs.

* Beginning in 2011, the Medicare Coverage Gap Discount Program will provide manufacturer discounts on brand-name drugs to Part D enrollees who have reached the Coverage Gap and are not

already receiving Extra Help. A 50% discount on the negotiated price (excluding the dispensing fee) will be available for those brand-name drugs from manufacturers that have agreed to pay the discount. For our Plan, it means that, while your co-payment or coinsurance will generally double during this stage, the Medicare Coverage Gap Discount Program will pay 50% of that amount. In most cases, this will result in your paying no more in co-payment or coinsurance for covered brand-name drugs in 2011 than you have been paying in 2010. If you qualify for a low-income subsidy, please refer to your Evidence of Coverage LIS Rider for the amounts you will pay for covered drugs.

What if changes for 2011 affect drugs you are taking now?

What if a drug you are taking now is not on the Drug List for 2011?

What if it has been moved to a higher cost-sharing tier?

What if a new restriction has been added to the coverage for this drug?

If you are in any of these situations, here's what you can do:

- In some situations, the Plan will cover a **one-time, temporary supply** of your drug when your current supply runs out. This temporary supply will be for a maximum of 34 days. **Chapter 3, Section 5.2** of your Evidence of Coverage explains when you can get a temporary supply and how to ask for one.

Meanwhile, you and your doctor will need to decide what to do before your temporary supply of the drug runs out.

- **Perhaps you can find a different drug** covered by the Plan that might work just as well for you. You can take your Drug List to your doctor to review covered options, or you can call Customer Service to ask for a list of covered drugs that treat the same medical condition. This list can help your doctor or other prescriber to find a covered drug that might work for you.
- **You and your doctor can ask the Plan to make an exception for you** and cover the drug. To learn what you must do to ask for an exception, see the Evidence of Coverage that was included in the mailing with this Annual Notice of Changes. Look for **Chapter 7 (What to do if you have a problem or complaint)**.

Section 4. Do you want to stay in the Plan or make a change?

Do you want to stay with *Medco Medicare Prescription Plan* (PDP) for the Commonwealth of Virginia Retiree Health Benefits Program?

If you want to keep your membership in this **Medco Medicare Prescription Plan** (PDP) for 2011, it's easy. You don't need to tell us or fill out any paperwork. **You will automatically remain enrolled in this Plan if you continue to be eligible for the Commonwealth of Virginia Retiree Health Benefits Program.**

Do you want to make a change?

If you decide to leave this **Medco Medicare Prescription Plan** (PDP), you can switch to a different Medicare prescription drug plan or to a Medicare Advantage Plan (either with or without Medicare prescription drug coverage). You can also cancel your enrollment and keep Original Medicare without a Medicare prescription drug plan.

If you want to change to a different plan, there are many choices. As a reminder, **Medco Medicare Prescription Plan** (PDP) offers other Medicare prescription drug plans in addition to the Plan you are now enrolled in (these plans are not associated with the state program). These other plans may differ in coverage, monthly premiums, and cost-sharing amounts.

When can you change to a different plan?

- During the **yearly enrollment period (called the Annual Coordinated Election Period) from November 15 through December 31, 2010**, Medicare beneficiaries can make changes to their prescription and medical coverage. During this time period, they may also choose another Medicare prescription drug plan, Original Medicare without a separate Medicare prescription drug plan, or a Medicare Advantage Plan. Their new coverage will begin on January 1, 2011.
- However, as a member of the Commonwealth of Virginia Retiree Health Benefits Program's Medicare Part D plan (this Plan), which is an Employer Group Waiver Plan, you have more flexibility in making plan changes, including access to a Special Enrollment Period whenever you decide to drop our Plan. To get more details on this, please refer to your Evidence of Coverage, **Chapter 8**.

Is this the only time of the year to choose a different plan?

For most people, yes. Certain individuals, such as those with Medicaid, those who get Extra Help paying for their drugs, those who move out of the geographic service area, or members of an Employer Group Waiver Plan (such as this Plan) can make changes at other times. For more information, see **Chapter 8, Section 2.3** of the Evidence of Coverage.

How do you make a change?

See **Chapter 8** of the enclosed Evidence of Coverage document. It tells what you need to do to make a change from **Medco Medicare Prescription Plan** (PDP) to another plan.

Things to check on before you make a change

- **Are you getting help with paying for your drugs from a State Pharmaceutical Assistance Program (SPAP)?** If you are, please check with this program before switching to another plan. The phone number for your State Pharmaceutical Assistance Program is listed in **Chapter 2, Section 7** of the Evidence of Coverage. Please note that your SHIP counselor may not know the implications in changes to your benefit, since you are a member of an Employer Group Waiver Plan.

- Your Commonwealth of Virginia annual rate notification materials include information regarding changes that affect eligibility under its health benefits program.

Section 5. Do you need some help? Would you like more information?

We have information and answers for you

To learn more, read the information we sent in the same package with this Annual Notice of Changes and your Commonwealth of Virginia annual rate notification materials, which you will receive in November. This Annual Notice of Changes includes copies of the Evidence of Coverage and the List of Covered Drugs (Formulary) for our Plan.

If you have any questions, we are here to help. Please call us at **Medco Medicare Prescription Plan** (PDP) Customer Service at the numbers located on the cover of this booklet. We are available for phone calls 24 hours a day, 7 days a week. Customer Service is available in English and other languages.

You can get help and information from your State Health Insurance Assistance Program (SHIP)

The State Health Insurance Assistance Program (SHIP) is a government program with trained counselors in every state. A SHIP is independent (not connected with any insurance company or health plan). It is a state program that gets money from the Federal government to give free local health insurance counseling to people with Medicare. SHIP counselors can help you with your Medicare questions or problems. They can help you understand your Medicare plan choices and answer questions about switching plans, however they may have limited information about our Plan. You can call the SHIP in your state at the numbers found in the enclosed listing of SHIP contacts in **Chapter 2, Section 3** of the Evidence of Coverage.

You can get help and information from Medicare

Here are three ways to get information directly from Medicare:

- **Call 1-800-MEDICARE (1-800-633-4227)**, 24 hours a day, 7 days a week. TTY/TDD users should call 1-877-486-2048.
- **Visit the Medicare website** (<http://www.medicare.gov>).
- **Read the “Medicare & You 2011” handbook.** Every year in October, this booklet is mailed to people with Medicare. It has a summary of Medicare benefits, rights and protections, and answers to the most frequently asked questions about Medicare. If you don’t have a copy of this booklet, you can get it at the Medicare website (<http://www.medicare.gov>) or by calling 1-800-MEDICARE (1-800-633-4227), 24 hours a day, 7 days a week. TTY/TDD users should call 1-877-486-2048.

Medco Health Solutions, Inc., 100 Parsons Pond Drive, Franklin Lakes, NJ 07417

Medco is a registered trademark of Medco Health Solutions, Inc.

Medco Medicare Prescription Plan is a registered trademark of Medco Health Solutions, Inc.

© 2010 Medco Health Solutions, Inc. All rights reserved.

K00CVA1A

medco[®]