

# 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 2012**

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, 2012.

To decide what's best for you, compare this information 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, **Medco Medicare Prescription Plan** (PDP), is offered by Medco Containment Life Insurance Company and Medco Containment Insurance Company of New York. (When this *Annual Notice of Changes* says “we,” “us,” or “our,” it means Medco Containment Life Insurance Company and Medco Containment Insurance Company of New York. When it says “Plan” or “our Plan,” it means **Medco Medicare Prescription Plan** (PDP).)

A Medicare-approved Part D sponsor

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

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## **Section 1: Important things to know**

### **The Medicare Annual Enrollment Period ends on December 7**

Starting this year, the Medicare annual enrollment period will run from **October 15 through December 7**. You can make changes to your Medicare coverage during this time.

### **You are currently enrolled in *Medco Medicare Prescription Plan (PDP)*, which is a Medicare prescription drug plan (PDP)**

You are currently enrolled as a member of **Medco Medicare Prescription Plan (PDP)**. This plan is a Medicare prescription drug plan (PDP). Like all Medicare prescription drug plans, this Medicare plan is approved by Medicare and run by a private company. 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.

### **If you remain enrolled in *Medco Medicare Prescription Plan (PDP)* for the Commonwealth of Virginia Retiree Health Benefits Program for 2012, there will be some changes to your benefits and what you pay**

Each year, Medicare prescription drug plans may change the premiums, cost-sharing amounts, and benefits they offer. We're sending you this *Annual Notice of Changes* to tell you how your benefits and costs as a member of **Medco Medicare Prescription Plan (PDP)** will change next year from your current benefits. The changes take effect on January 1, 2012. Medicare has approved these changes.

### **This *Annual Notice of Changes* is only a summary (See your *Summary of Benefits* or *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 2012. This notice is a brief summary, not a comprehensive description of benefits. For more information, contact the Plan or look in your *Summary of Benefits* or *Evidence of Coverage*.

- The *Summary of Benefits* explains the benefits and costs of your prescription drug coverage for 2012. The *Evidence of Coverage* provides an overview of your rights and the rules when using your prescription drug coverage. We have included a copy of the *Summary of Benefits* and the *Evidence of Coverage* in the same envelope with this *Annual Notice of Changes*. If you do not have these documents, please 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.

### **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 *Medco Medicare Prescription Plan (PDP)* for 2012.**

To decide what's best for you, compare this information we're sending with the benefits and costs of other Medicare Part D plans in your area.

If you have access to the Internet, you can find information about other non-state program plans available in your area by using the Medicare Plan Finder on the Medicare website at <http://www.medicare.gov>. The Plan Finder helps you compare your choices by giving you information about plans' benefits and costs and showing you how Medicare rates the plans. For example, these ratings let you compare how well plans are doing in different categories that include member satisfaction and customer service. (To view the information about plans, go to <http://www.medicare.gov>. Click on the "Health & Drug Plans" button on the left and then choose "Compare Drug and Health Plans.") If you want us to mail you a copy of the ratings for this plan, please call us at the numbers listed on the front cover. Customer Service is available 24 hours a day, 7 days a week.

We value your membership in **Medco Medicare Prescription Plan (PDP)** and hope to keep you as a member. But if you want to make a change for 2012, see **When can you change to a different plan?** in **Section 4** for time periods when you can make a change.

## **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 program, or LIS. If your yearly income and resources are below certain limits, you may qualify for this help. To learn more about the Extra Help program, call 1-800-MEDICARE (1-800-633-4227). TTY users should call 1-877-486-2048. You can call these numbers for free, 24 hours a day, 7 days a week. You can also look in Section III of the *Medicare & You* 2012 handbook or call your State Health Insurance Assistance Program (the name and phone numbers for this organization are in the **Appendix** of your *Evidence of Coverage*).
- **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 the **Appendix** 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.** We have included a separate insert, called the "Evidence of Coverage Rider for People Who Get Extra Help Paying for Prescription Drugs" (LIS Rider), which tells you about your drug coverage. If you are currently getting Extra Help and 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 2012 premium in October.

### *Exceptions:*

- 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 at any time after the end of your Part D Initial Enrollment Period), your monthly premium for 2012 could include this amount. However, the Commonwealth of Virginia may not currently collect this penalty. For more information about this penalty, see **Chapter 4** of your *Evidence of Coverage*.
- Most people pay a standard monthly Part D premium associated with their own plan. However, some people will pay a higher premium because of their yearly income. If your income is \$85,000 or above for an individual (or married individuals filing separately) or \$170,000 or above for married couples, you must pay an extra amount for your Medicare Part D coverage. If you have to pay an extra amount, the Social Security Administration, not this plan, will send you a letter telling you what that extra amount will be. 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, go to **Chapter 4, Section 10** of your *Evidence of Coverage*. You can also visit <http://www.medicare.gov> on the Web or call 1-800-MEDICARE (1-800-633-4227), 24 hours a day, 7 days a week. TTY users should call 1-877-486-2048. Or you may call the Social Security Administration at 1-800-772-1213. TTY users should call 1-800-325-0778.

## **Section 3. Part D prescription drugs:**

### **Changes to your benefits and out-of-pocket costs**

#### **Changes to the *List of Covered Drugs (Formulary)***

**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, 2012. 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 added some new restrictions to certain drugs and reduced the restrictions on others.** Restrictions can include a requirement to get plan approval in advance or to try a different drug first to see how well it works. Restrictions can also include limits on the quantity of the drug that the Plan will cover for you.

**Please check to see if any of these changes to drug coverage affect the drugs you use.**

- You can look for your drugs on the Drug List we sent with this *Annual Notice of Changes*. If you can't find some of your drugs on this Drug List, you can call Customer Service for help determining the status of your drugs.
- If there is a restriction for your drug, it usually means that you or your provider will have to take extra steps in order for us to cover the drug. If there is a restriction on the drug you want to take, you should contact Customer Service to learn what you or your provider would need to do to get coverage for the drug.

**Changes to your out-of-pocket costs**

We have moved some of the drugs on the Drug List to a different cost-sharing tier. Some of the drugs will be in a lower cost-sharing tier, while others will be in a higher cost-sharing tier. To see if any of your drugs have been moved to a different cost-sharing tier, look them up on the enclosed Drug List.

**Changes to what you pay for your drugs during the Initial Coverage Stage**

During the Initial Coverage stage, the Plan pays its share of the cost of your covered prescription drugs, and you pay your share (your co-payment or coinsurance amount).

The co-payment/coinsurance amounts you pay for covered drugs for designated tiers during the Initial Coverage stage will be exactly the same in 2012 as they are in 2011. 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.

**Changes to the plan's Drug Payment Stages**

The charts below and on the following pages summarize changes to the plan's Drug Payment stages. These changes affect Part D prescription drugs only.

	2011 (this year)	2012 (next year)
<b>Yearly Deductible stage</b>	<b>\$310</b>	<b>\$320</b>
During the Yearly Deductible stage, you pay the full cost of your covered brand-name drugs until you reach the plan's deductible amount. Once you meet your deductible, you move on to the Initial Coverage stage.	This is how much you must pay for your covered brand-name drugs before the Plan will pay its share.	This is how much you must pay for your covered brand-name drugs before the Plan will pay its share.

	2011 (this year)	2012 (next year)
<p><b>Initial Coverage stage</b></p> <p>During the Initial Coverage stage, the Plan pays its share of the costs of your covered drugs, and you pay your share.</p> <p>You stay in this stage until your year-to-date total drug costs for your Part D drugs reach the limit for the Initial Coverage stage. Once you reach this limit, you move on to the Coverage Gap stage.</p>	<p><b>\$2,840</b></p> <p>When the total costs for your Part D drugs reach this amount, you move on to the Coverage Gap stage.</p>	<p><b>\$2,930</b></p> <p>When the total costs for your Part D drugs reach this amount, you move on to the Coverage Gap stage.</p>
<p><b>Coverage Gap stage</b></p> <p>You stay in the Coverage Gap stage until your out-of-pocket costs for your Part D drugs reach the amount that qualifies you for Catastrophic Coverage.</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>During the Coverage Gap stage, this Plan will cover generic drugs at the same co-payment/coinsurance as in the Initial Coverage stage. The Commonwealth of Virginia Retiree Health Benefits Program is also providing additional coverage to your benefit during the Coverage Gap stage for covered brand-name drugs. In addition to the 50% manufacturer discount (described further in your <i>Evidence of Coverage</i>), the addition of this coverage will mean that you will generally pay no more than what you paid during the Initial Coverage stage.</p>

	2011 (this year)	2012 (next year)
<p><b>Catastrophic Coverage stage</b></p> <p>During the Catastrophic Coverage stage, the Plan will pay most of the costs for your Part D drugs.</p> <p>You will stay in this stage until the end of the calendar year.</p>	<p>You stay in this stage until your out-of-pocket costs reach:</p> <p style="text-align: center;"><b>\$4,550</b></p> <p>This is the amount you must pay out of pocket to leave the Coverage Gap stage and qualify for Catastrophic Coverage.</p>	<p>You stay in this stage until your out-of-pocket costs reach:</p> <p style="text-align: center;"><b>\$4,700</b></p> <p>This is the amount you must pay out of pocket to leave the Coverage Gap stage and qualify for Catastrophic Coverage.</p>
	<p>You will pay a \$2.50 co-payment for a generic drug (including a brand drug treated as a generic) and a \$6.30 co-payment for all other drugs, or 5% coinsurance, whichever is greater.</p>	<p>You will pay a \$2.60 co-payment for a generic drug (including a brand drug treated as ageneric) and a \$6.50 co-payment for all other drugs, or 5% coinsurance, whichever is greater.</p>

### What if changes for 2012 affect drugs you are taking now?

What if a drug you are taking now is not on the Drug List for 2012 and Customer Service has confirmed the drug is not covered?

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 **temporary supply** of your drug when your current supply runs out. This temporary supply will be for a maximum of 34 days, or less if your prescription is written for fewer days. In that case, you will be allowed multiple fills to provide up to a total of a 34-day supply of the medication. **Chapter 3, Section 5.2** of the *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 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 **Medco Medicare Prescription Plan (PDP)** for 2012, 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 and Medicare does not disenroll you for any reason.**

### **Do you want to make a change?**

If you decide to leave **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 disenroll from Medicare prescription drug coverage and go without creditable prescription drug coverage, you may need to pay a late enrollment penalty if you join a Medicare drug plan later. See **Chapter 4, Section 9** in the *Evidence of Coverage* for more information about the late enrollment penalty.)

### **When can you change to a different plan?**

- During the **yearly enrollment period (called the Annual Coordinated Election Period) from October 15 through December 7, 2011**. 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, 2012.
- 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 2.2** 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. You may also contact your group benefits administrator for more information about making a change to your coverage.

## Things to check on before you make a change

- **As a member of an employer or retiree group**, please check with your group benefits administrator *before you change your plan*. This is important because you may lose benefits you currently receive under your employer or retiree group coverage if you switch plans.
- **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 the **Appendix** of the *Evidence of Coverage*. Please note, your SPAP counselor may not know the implications in changes to your benefit since you are a member of an Employer Group Waiver Plan.

## 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 October. This *Annual Notice of Changes* includes a copy of the *Summary of Benefits*, the *Evidence of Coverage*, and the *List of Covered Drugs (Formulary)*.

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. Calls to these numbers are free.

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

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 the **Appendix** 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 users should call 1-877-486-2048.
- **Visit the Medicare website** (<http://www.medicare.gov>).
- **Read the *Medicare & You 2012 handbook***. Every year in the fall, 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 users should call 1-877-486-2048.

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