

Commonwealth of Virginia Retiree Health Benefits Program

Medicare-Coordinating Plan Options

Effective January 1, 2011

COMPARISON OF MEDICARE AND STATE SUPPLEMENTAL PLANS

Use the chart on pages one and two to review Medicare's benefits and the supplemental/Medicare-coordinating plan benefits available to State Retiree Health Benefits Program participants who are eligible for Medicare (unfold chart at right).

Optional prescription drug, dental and vision benefits are summarized on pages 3-5.

Part A Services	Medicare
Hospital Inpatient (medical)	<ul style="list-style-type: none"> • Pays up to 60 days of medically necessary services, except Part A hospital deductible • Pays up to an additional 30 days, except daily coinsurance • If more than a 90-day hospital stay, can pay up to 60 Medicare lifetime reserve days, except daily coinsurance • No payment for more than a 90-day hospital stay per benefit period if no lifetime reserve days remain or if you choose not to use them
Skilled Nursing Facility	<ul style="list-style-type: none"> • Pays 100% for 20 days at a Medicare-certified skilled nursing facility • Pays up to an additional 80 days at a skilled nursing facility, except daily coinsurance • Medicare does not pay for more than 100 days at a skilled nursing facility in a benefit period
Part B Services	Medicare
Physician And Other Services	<ul style="list-style-type: none"> • Generally pays 80% of Medicare-approved charges for services such as doctor's care and outpatient physical or occupational therapy (within limits) – see your "Medicare and You" publication for more information. • An annual deductible may apply
Part D Services	Medicare
Prescription Drug Coverage	<ul style="list-style-type: none"> • Pays a benefit based on the specific Part D plan in which the beneficiary is enrolled
Other Services	Medicare
Routine Vision Benefits	<ul style="list-style-type: none"> • Not covered
Routine Dental Benefits	<ul style="list-style-type: none"> • Not covered
Out-Of-Country And Major Medical Services	<ul style="list-style-type: none"> • Not covered
At Home Recovery Care And Visits	<ul style="list-style-type: none"> • Not covered

Note: This chart is meant to provide a basic overview of Original Medicare coverage and the supplemental plans available under the state program. The Medicare-Coordinating Plans Handbook and applicable inserts, available at www.dhrm.virginia.gov, include detailed information about benefits, exclusions, limitations and your responsibilities under these plans.

Advantage 65		Advantage 65 – Medical Only	
	<ul style="list-style-type: none"> • Pays Medicare Part A deductible except for first \$100 • Pays Medicare Part A coinsurance • Pays 100% of allowable charge for eligible expenses for an additional 365 days 		<ul style="list-style-type: none"> • Pays Medicare Part A deductible except for first \$100 • Pays Medicare Part A coinsurance • Pays 100% of allowable charge for eligible expenses for an additional 365 days
	<ul style="list-style-type: none"> • Pays Medicare Part A coinsurance (days 21-100) • Pays above coinsurance amount for an additional 80 days per Medicare benefit period 		<ul style="list-style-type: none"> • Pays Medicare Part A coinsurance (days 21-100) • Pays above coinsurance amount for an additional 80 days per Medicare benefit period
Advantage 65		Advantage 65 – Medical Only	
	<ul style="list-style-type: none"> • Does not pay Medicare Part B deductible, but does pay Part B coinsurance 		<ul style="list-style-type: none"> • Does not pay Medicare Part B deductible, but does pay Part B coinsurance
Advantage 65		Advantage 65 – Medical Only	
	<ul style="list-style-type: none"> • Enhanced Medicare Part D plan – see pages 4-5 		<ul style="list-style-type: none"> • Does not include outpatient prescription drug coverage – once this plan is elected, participants may not elect a state program Medicare-coordinating plan with prescription drug coverage at a later date • Participants may elect drug coverage through another (non-state program) Medicare Part D plan or other creditable coverage
Advantage 65		Advantage 65 – Medical Only	
	<ul style="list-style-type: none"> • Optional – see page 3 		<ul style="list-style-type: none"> • Optional – see page 3
	<ul style="list-style-type: none"> • Optional – see page 3 		<ul style="list-style-type: none"> • Optional – see page 3
	<p>For Out-Of-Country services only:</p> <ul style="list-style-type: none"> • Pays 80% of allowable charge after you pay \$250 calendar year deductible 		<p>For Out-of-Country services only:</p> <ul style="list-style-type: none"> • Pays 80% of allowable charge after you pay \$250 calendar year deductible
	<ul style="list-style-type: none"> • Pays up to \$40 per visit, not to exceed \$1,600 each calendar year and 7 visits each week 		<ul style="list-style-type: none"> • Pays up to \$40 per visit, not to exceed \$1,600 each calendar year and 7 visits each week

DENTAL/VISION OPTION

Dental/Vision coverage may be added to Advantage 65 or Advantage 65—Medical Only at any time, and it may be cancelled at any time. However, once the Dental/Vision option has been elected and cancelled one time under any Medicare-coordinating plan, it may not be elected again. When adding Dental/Vision, your election will be effective the first of the month following receipt of your request.

Dental Benefits		The Plan Pays:	
<p>The maximum benefit per calendar year is \$1,500 per enrollee. There is no annual deductible. Some limitations may apply. See your Dental/Vision Member Handbook Insert for additional information.</p>			
Diagnostic and Preventive Care, including: <ul style="list-style-type: none"> • Two routine oral evaluations, cleanings and bitewing x-rays per calendar year • One full mouth x-ray every three years 		100% of the allowable charge	
Basic Dental Care, including: <ul style="list-style-type: none"> • Fillings (<i>amalgam or tooth-colored materials</i>) • Simple extractions of natural teeth and surgical extractions of fully-erupted teeth • Root canal therapy and other endodontic services • Repair of broken removable dentures and re-cementing of existing crowns, inlays and bridges (<i>once every 12 months – some limitations may apply</i>) 		80% of the allowable charge	
Major Dental Care, including: <ul style="list-style-type: none"> • Crowns (single crowns, inlays and onlays) • Prosthodontics (<i>partials or complete dentures and fixed bridges</i>) • Dental Implants 		5% of the allowable charge	
Vision Benefits		The Member Pays or Plan Allows:	
<p>The following benefits apply to network providers. Your Dental/Vision Member Handbook Insert provides out-of-network benefit levels.</p>			
Routine Vision Examination (<i>once every 24 months</i>)		\$20 copayment (<i>network provider</i>)	
Eyeglass frames (<i>once every 24 months</i>)		\$100 allowance and 20% off remaining balance (<i>network provider</i>)	
Eyeglass lenses (<i>one of the following every 24 months</i>) <ul style="list-style-type: none"> • Standard plastic single vision lenses (<i>one pair</i>) • Standard plastic bifocal lenses (<i>one pair</i>) • Standard plastic trifocal lenses (<i>one pair</i>) • Standard progressive lenses (<i>one pair</i>) OR		\$20 copayment (<i>network provider</i>) \$20 copayment (<i>network provider</i>) \$20 copayment (<i>network provider</i>) \$85 copayment (<i>network provider</i>)	
Contact Lenses (<i>one of the following every 24 months</i>) <ul style="list-style-type: none"> • Elective conventional contact lenses • Elective disposable contact lenses • Non-Elective contact lenses 		\$100 allowance and 15% discount off remaining balance (<i>network provider</i>) \$100 allowance (<i>network provider - no additional discount</i>) \$250 allowance (<i>network provider - no additional discount</i>)	
Eyeglass lens upgrades <ul style="list-style-type: none"> • UV Coating • Tint (<i>solid and gradient</i>) • Standard scratch-resistance • Standard polycarbonate • Standard anti-reflective coating • Other add-ons and services 		\$15 (<i>network provider</i>) \$15 (<i>network provider</i>) \$15 (<i>network provider</i>) \$40 (<i>network provider</i>) \$45 (<i>network provider</i>) 20% off retail price (<i>network provider</i>)	

Use of a non-participating provider will generally result in a reduced benefit and higher out-of-pocket costs. Your Member Handbook Dental/Vision Insert includes additional information.

ENHANCED MEDICARE PART D PLAN OPTION

Effective January 1 – December 31, 2011

Participants covered under the Advantage 65 Plan or Advantage 65 + Dental/Vision Plan will have the outpatient prescription drug coverage described below (pending Medicare approval). Level of coverage is based on whether the drug is included on the plan's formulary (the list of drugs that are covered under the plan), the tier of the drug (see below), and the coverage stage (see below). Generally, drugs that are not on the plan's formulary will not be covered; however, additional information regarding exceptions is provided in the Evidence of Coverage.

Deductible Stage – A \$310 annual deductible will apply to covered brand-name drugs. There is no deductible for covered generics.

Initial Coverage Stage – Once the annual deductible has been met for covered brand-name drugs (and immediately for covered generics), the Initial Coverage Stage will provide the following benefit until your total drug cost reaches \$2,840:

Drug Tier	Supply of Medication/ Method of Purchase	Your Copayment/Coinsurance Amount
Tier 1 Generics	Up to a 34-day supply of a covered generic drug at a participating retail pharmacy	\$7.00
Tier 1 Generics	Up to a 90-day supply of a covered generic drug purchased through the mail service program	\$7.00
Tier 2 Preferred Brands	Up to a 34-day supply of a covered preferred brand drug at a participating retail pharmacy	\$25.00 (after deductible)
Tier 2 Preferred Brands	Up to a 90-day supply of a covered preferred brand drug purchased through the mail service program	\$50.00 (after deductible)
Tier 3 Non-Preferred Brands	Up to a 34-day supply of a covered non-preferred brand drug at a participating retail pharmacy	75% of the cost of the drug (after deductible)
Tier 3 Non-Preferred Brands	Up to a 90-day supply of a covered non-preferred brand drug purchased through the mail service program	75% of the cost of the drug (after deductible)
Tier 5 Specialty Drugs	Up to a 34-day supply of a covered specialty drug at a participating retail pharmacy	25% of the cost of the drug (after deductible)
Tier 5 Specialty Drugs	Up to a 90-day supply of a covered specialty drug purchased through the mail service program	25% of the cost of the drug (after deductible)

Coverage Gap Stage – When the total cost of covered drugs exceeds \$2,840, the Coverage Gap Stage will provide the following benefit until your out-of-pocket cost reaches \$4,550:

Drug Tier	Supply of Medication/ Method of Purchase	Copayment or Coinsurance	*Medicare Coverage Gap Discount Program	* Your Responsibility
Tier 1 Generics	Up to a 34-day supply of a covered generic drug at a participating retail pharmacy	\$7.00	Does not apply	\$7.00
Tier 1 Generics	Up to a 90-day supply of a covered generic drug purchased through the mail service program	\$7.00	Does not apply	\$7.00
Tier 2 Preferred Brands	Up to a 34-day supply of a covered preferred brand drug at a participating retail pharmacy	\$50.00	50% copayment discount	\$25.00
Tier 2 Preferred Brands	Up to a 90-day supply of a covered preferred brand drug purchased through the mail service program	\$100.00	50% copayment discount	\$50.00
Tier 3 Non-Preferred Brands	Up to a 34-day supply of a covered non-preferred brand drug at a participating retail pharmacy	100% of the cost of the drug	50% coinsurance discount	50% of the cost of the drug
Tier 3 Non-Preferred Brands	Up to a 90-day supply of a covered non-preferred brand drug purchased through the mail service program	100% of the cost of the drug	50% coinsurance discount	50% of the cost of the drug
Tier 5 Specialty Drugs	Up to a 34-day supply of a covered specialty drug at a participating retail pharmacy	50% of the cost of the drug	50% coinsurance discount	25% of the cost of the drug
Tier 5 Specialty Drugs	Up to a 90-day supply of a covered specialty drug purchased through the mail service program	50% of the cost of the drug	50% coinsurance discount	25% of the cost of the drug

**If the drug is manufactured by a participant in the Medicare Coverage Gap Discount Program, the copayment or coinsurance will usually be reduced by 50%. This means that out-of-pocket costs in the Coverage Gap Stage are generally no higher than those paid in the Initial Coverage Stage.*

Catastrophic Coverage Stage – Once your out-of-pocket expense for covered drugs exceeds \$4,550, your cost will be reduced to either 5% coinsurance or a copayment of \$2.50 for generics drugs (or drugs treated as generics) or \$6.30 for all other drugs, whichever is greater. You will remain in this stage until the end of the calendar year.

So that participants can track their coverage stage, they will receive a summary of drug costs for any month during which this benefit is used. The plan's Evidence of Coverage and Member Handbook Insert provide additional information about coverage under this Medicare Part D plan.