

Medco Medicare Prescription Plan®(PDP)

**Commonwealth of Virginia
Retiree Health Benefits Program**

Summary of Benefits

January 1 – December 31, 2012

Section 1: Introduction to the Summary of Benefits Report for **Medco Medicare Prescription Plan® (PDP)** for the Commonwealth of Virginia Retiree Health Benefits Program January 1, 2012 – December 31, 2012

This Medicare-approved Prescription Drug Plan has been designed specifically for Medicare-eligible participants in the Commonwealth of Virginia Retiree Health Benefits Program who maintain eligibility for the Program and for this benefit within the Program. It is an enhanced Medicare Part D plan that offers a benefit structure with the potential for coverage during gaps that exist under the basic Medicare prescription drug benefit. It is separate and distinct from Medicare Part D Prescription Drug Plans described on the Medicare website.

Thank you for your enrollment in **Medco Medicare Prescription Plan (PDP)** for the Commonwealth of Virginia Retiree Health Benefits Program, which is contingent upon approval by Medicare. Our Plan is offered by Medco Containment Life Insurance Company and Medco Containment Insurance Company of New York/**Medco Medicare Prescription Plan**, a Medicare prescription drug plan that contracts with the Federal government. This *Summary of Benefits* tells you some features of our Plan. It doesn't list every drug we cover, every limitation, or exclusion. To get additional information regarding provisions of the Plan, review your *Evidence of Coverage* and Formulary. If you need copies, you may obtain these documents by calling Customer Service or going to **www.medco.com**.

You have choices in your Medicare prescription drug coverage

As a Medicare beneficiary, you can choose from different Medicare prescription drug coverage options. One option is to get prescription drug coverage through a Medicare prescription drug plan, like **Medco Medicare Prescription Plan (PDP)**. Another option is to get your prescription drug coverage through a Medicare

Advantage Plan that offers prescription drug coverage. You make the choice.

Important: If you choose another prescription drug plan, your coverage in this Plan will usually end. See page 5 for additional information about disenrolling from this Plan. Your *Evidence of Coverage* also includes general information about disenrolling from Medicare prescription drug plans.

How can I compare my options?

The charts in this booklet list some important drug benefits. You can use this *Summary of Benefits* to compare the benefits offered by **Medco Medicare Prescription Plan (PDP)** to the benefits offered by other Medicare prescription drug plans or Medicare Advantage Plans with prescription drug coverage.

Where is *Medco Medicare Prescription Plan (PDP)* available?

The service area for this Plan includes: All 50 states, the District of Columbia, and Puerto Rico. You must live in one of these areas to join this Plan. If you plan to move out of the service area, please contact your Commonwealth of Virginia Benefits Administrator.

Who is eligible to join?

You can join this Plan if you are entitled to Medicare Part A and/or enrolled in Medicare Part B, live in the service area, are eligible to participate in the Commonwealth of Virginia Retiree Health Benefits Program, and have not previously declined this prescription drug coverage. Medicare beneficiaries may only enroll in one Medicare prescription drug plan at a time, and may not be enrolled in a Medicare Advantage Plan (HMO, PPO) unless they are members of a Medicare Private Fee-for-Service Plan or are enrolled in an 1876 Cost Plan. You may join most

Medicare prescription drug plans during certain times of the year. If you leave the state program at any time, you may not re-enroll in the future, but you can enroll in another Medicare Part D plan. Also, if you remain in the state program but drop this prescription drug plan, you may not re-enroll in Medicare-coordinating state program prescription drug coverage at a later time. Before leaving the state program or dropping the state program's prescription drug coverage, be sure to investigate your options for enrolling in another Medicare prescription drug plan to avoid a break in coverage. A break in creditable coverage of 63 days or more may result in a higher Medicare Part D premium and a gap in your prescription drug coverage.

Where can I get my prescriptions?

Medco Medicare Prescription Plan (PDP) has formed a network of pharmacies. You must use a network pharmacy to receive plan benefits. We will not pay for your prescriptions if you use an out-of-network pharmacy, except in certain cases.

A network pharmacy is a pharmacy that has a contract with the Plan to provide your covered prescription drugs. The term "covered drugs" means all of the Part D prescription drugs that are covered by the Plan.

The pharmacies in our network can change at any time. You can use the *Pharmacy Directory* to find the network pharmacy you want to use. This is important because, with few exceptions, you must get your prescriptions filled at one of our network pharmacies if you want our Plan to cover (help you pay for) them. You can ask for a *Pharmacy Directory* or visit us at www.medco.com. Our Customer Service numbers are listed at the end of this introduction.

Does my Plan cover Medicare Part B or Part D drugs?

Medco Medicare Prescription Plan (PDP) does not cover drugs that are covered under Medicare Part B as prescribed and dispensed. Generally, we only cover drugs, vaccines, biological products, and medical supplies that are covered under the Medicare prescription drug benefit (Part D) and that are on our formulary.

What is a prescription drug formulary?

Medco Medicare Prescription Plan (PDP) uses a formulary. A formulary (or "Drug List") is a list of drugs covered by your plan to meet patient needs. We may periodically add, remove, or make changes to coverage limitations on certain drugs or change how much you pay for a drug. If we make any formulary change that limits our members' ability to fill their prescriptions, we will notify the affected enrollees at least 60 days before the change is made. We will send a formulary to you, and you can see our complete formulary on our website at www.medco.com.

If you are currently taking a drug that is not on our formulary or is subject to additional requirements or limits, you may be able to get a temporary supply of the drug. You can contact us to request an exception or switch to an alternative drug listed on our formulary with your physician's help. Call us to see if you can get a temporary supply of the drug or for more details about our drug transition policy.

What should I do if I have other insurance in addition to Medicare?

If you have a Medigap (Medicare Supplement) policy (in addition to your Commonwealth of Virginia Retiree Health Benefits Program coverage) that includes prescription drug coverage, you must contact your Medigap issuer to let them know that you have joined a Medicare prescription drug plan. If you decide to keep your current Medigap supplement policy, your Medigap issuer will remove the prescription drug coverage portion of your policy and lower your premium. This will occur as of the effective date of your coverage in the Medicare prescription drug plan. Call your Medigap issuer for details. (Enrollment in a Medigap plan may exclude medical benefits under your Commonwealth of Virginia Medicare medical supplemental benefits. See your annual premium rate notification materials for additional information.) If you keep your prescription drug coverage under a Medigap policy, you will be disenrolled from our Plan. If you join another Medicare Part D plan after you join this Plan, you will be disenrolled from this Plan and moved to medical-only coverage in the state program.

How can I get Extra Help with my prescription drug plan costs or get Extra Help with other Medicare costs?

You may be able to get Extra Help to pay for your prescription drug premiums and costs as well as get help with other Medicare costs. To see if you qualify for getting Extra Help, call:

- 1-800-MEDICARE (1-800-633-4227). TTY users should call 1-877-486-2048, 24 hours a day/7 days a week; and see www.medicare.gov “Programs for People with Limited Income and Resources” in the publication “Medicare & You”;
- The Social Security Administration at 1-800-772-1213 between 7 a.m. and 7 p.m., Monday through Friday. TTY users should call 1-800-325-0778; or
- Your state Medicaid office.

What are my protections in this Plan?

All Medicare prescription drug plans agree to stay in the program for a full year at a time. Each year, the plans decide whether to continue for another year. Availability of this specific Plan within the Commonwealth of Virginia Retiree Health Benefits Program beyond the end of the current contract year is not guaranteed. Even if a Medicare prescription drug plan leaves the program, you will not lose Medicare coverage. If a plan decides not to continue, it must send you a letter at least 90 days before your coverage will end. This letter will explain your options for Medicare coverage in your area. The Commonwealth of Virginia Retiree Health Benefits Program would provide information regarding any effect on its plan options.

As a member of **Medco Medicare Prescription Plan** (PDP), you have the right to request a coverage determination, which includes the right to request an exception, the right to file an appeal if we deny coverage for a prescription drug, and the right to file a grievance. You have the right to request a coverage determination if you want us to cover a Part D drug that you believe should be covered. An exception is a type of coverage determination. You may ask us for an exception if you believe you need a drug that is not

on our formulary or believe you should get a non-preferred drug at a lower out-of-pocket cost. You can also ask for an exception to cost utilization rules, such as a limit on the quantity of a drug. If you think you need an exception, you should contact us before you try to fill your prescription at a pharmacy. Your doctor must provide a statement to support your exception request. If we deny coverage for your prescription drug(s), you have the right to appeal and ask us to review our decision. Finally, you have the right to file a grievance if you have any type of problem with us or one of our network pharmacies that does not involve coverage for a prescription drug. If your problem involves quality of care, you also have the right to file a grievance with the Quality Improvement Organization (QIO) for your state. Please refer to the *Evidence of Coverage* (EOC) for the QIO contact information.

What is a Medication Therapy Management (MTM) Program?

A Medication Therapy Management (MTM) Program is a free service we offer. You may be invited to participate in a program designed for your specific health and pharmacy needs. You may decide not to participate, but it is recommended that you take full advantage of this covered service if you are selected. Contact **Medco Medicare Prescription Plan** (PDP) for more details.

Where can I find information on plan ratings?

The Medicare program rates how well plans perform in different categories (for example, detecting and preventing illness, ratings from patients, and Customer Service). If you have access to the Web, you may use the web tools on www.medicare.gov and select “Health & Drug Plans” then “Compare Drug and Health Plans” to compare the plan ratings for Medicare plans in your area. You can also call us directly to obtain a copy of the plan ratings for this Plan.

Our Customer Service numbers are listed on page 6 of this document. Please note the plan ratings document may not reflect specific costs or benefits available to you through your Employer Group Waiver Plan.

Paying your plan premium

Your premium will be billed or deducted through the Commonwealth of Virginia Retiree Health Benefits Program as part of your total health benefits premium. The Commonwealth of Virginia will provide your annual benefit premium rates. If you have any questions about your plan premiums, please contact your Commonwealth of Virginia Benefits Administrator.

Your *Evidence of Coverage* explains the Part D late enrollment penalty. If Medicare has determined that you are responsible for paying a penalty, the Commonwealth of Virginia Retiree Health Benefits Program will not deduct or bill the penalty amount at this time. However, if you feel that you should not have a penalty, be sure to respond to any requests to document your previous creditable coverage. You may also contact Medicare directly to resolve this matter. If your previous creditable coverage was through the Commonwealth of Virginia Health Benefits Program, the Department of Human Resource Management will be notified of your penalty and will attempt to resolve the matter on your behalf. Even though the state program will not collect the penalty amount at this time, if you move to a plan outside of the state program, you will carry an unresolved penalty with you.

When can you end your membership in our Plan?

In most Medicare Part D plans, you may end your membership only during certain times of the year, known as enrollment periods. All members have the opportunity to leave a plan during the Annual Enrollment Period. In certain situations, you may also be eligible to leave a plan at other times of the year. You may disenroll from **Medco Medicare Prescription Plan (PDP)** for the Commonwealth of Virginia Retiree Health Benefits Program prospectively at any time; however, once disenrolled, you cannot re-enroll. There is no open enrollment opportunity for this Plan. Be sure to check with Medicare regarding enrollment opportunities and limitations associated with other (non-state-sponsored) Part D prescription drug plans.

When your coverage under this Plan ends (either due to your direct request or because you enrolled in another Part D plan), you will be moved to a medical-only plan (including Medicare supplemental coverage but no prescription drug coverage) unless you cancel your coverage in the program completely. Contact your Benefits Administrator to request complete cancellation of your coverage or to cancel only this Plan coverage if you are not enrolling in another Part D plan.

Cancellation of coverage in this Plan will allow for a Special Enrollment opportunity in other Medicare prescription drug coverage.

Please call Medco for more information about
Medco Medicare Prescription Plan (PDP).

On the Web:	By Phone:	Contact Medicare:
<p>Visit us at www.medco.com</p>	<p>1-800-572-4098 (TTY/TDD: 1-800-716-3231)</p> <p>24 hours a day, 7 days a week.</p> <p>Customer Service is available in English and other languages.</p>	<p>For more information about Medicare, please call Medicare at 1-800-MEDICARE (1-800-633-4227). TTY users should call 1-877-486-2048.</p> <p>You can call 24 hours a day, 7 days a week.</p> <p>Or visit www.medicare.gov on the Web.</p>

Availability of Other Languages and Alternate Formats

This document may be available in other formats, such as braille, large print, or other alternate formats.

This document may be available in a non-English language.

For additional information, call Customer Service at the phone numbers listed above.
Este documento puede estar disponible en idiomas distintos del inglés. Para obtener información adicional, llame a Servicio al cliente a los números telefónicos que figuran arriba.

Section 2: Benefit Offerings — **Medco Medicare Prescription Plan (PDP)** for the Commonwealth of Virginia Retiree Health Benefits Program

Original Medicare: Most outpatient drugs are not covered under Original Medicare (Parts A and B). You can add prescription drug coverage to Original Medicare by joining a Medicare prescription drug plan such as our plan, or you can get all your Medicare coverage, including prescription drug coverage, by joining a Medicare Advantage Plan or a Medicare Cost Plan that offers prescription drug coverage.

Benefit Category	
PRESCRIPTION DRUGS	<p>This Plan does not cover Medicare Part B prescription drugs.</p> <p>This Plan uses a formulary. A formulary is a list of covered drugs selected to meet patient needs at a lower cost. If the formulary changes, you will be notified, in writing, before the change. To view the most recent plan formulary, go to www.medco.com on the Web.</p> <p>Different out-of-pocket costs may apply for people who</p> <ul style="list-style-type: none"> • have limited incomes, • live in long-term care facilities, or • have access to Indian/Tribal/Urban (Indian Health Service) facilities. <p>The Plan may require you to first try one drug to treat your condition before it will cover another drug for that condition.</p> <p>Some drugs have quantity limits.</p> <p>Your health care provider must get prior authorization from Medco Medicare Prescription Plan (PDP) for certain drugs.</p> <p>Total yearly drug costs are the total drug costs paid by both you, and/or others on your behalf, and the Plan.</p> <p>You must go to certain pharmacies for a very limited number of drugs, due to special handling, provider coordination, or patient education requirements that cannot be met by most pharmacies in your network. These drugs are listed on the plan’s website, formulary, and printed materials.</p> <p>If the actual cost of a drug is less than the normal cost-sharing amount for that drug, you will pay the actual cost, not the higher cost-sharing amount.</p> <p>If enrolled, you pay a monthly premium to the Commonwealth of Virginia Retiree Health Benefits Program for your Medicare-primary coverage. As a part of that total premium, you will pay the program’s Medicare Part D premium, if enrolled in this Plan. Some people will be responsible for paying an additional premium amount because of their yearly income (over \$85,000 for singles, \$170,000 for married couples). This premium will not be billed by the Commonwealth of Virginia and will be collected by Medicare. For more information about Medicare Part D premiums based on income, call Medicare at 1-800-MEDICARE (1-800-633-4227). TTY users should call 1-877-486-2048. You may also call Social Security at 1-800-772-1213. TTY users should call 1-800-325-0778.</p>

Benefit Category	
<u>DEDUCTIBLE STAGE</u>	There is a \$320 deductible for covered brand-name medications. There is no deductible for covered generic drugs.
<u>INITIAL COVERAGE STAGE</u>	After you pay your yearly brand-only deductible, you pay the following until your total yearly drug expense for covered drugs reaches \$2,930 during the plan year. The tier level of covered drugs is listed in your Formulary.
RETAIL PHARMACY	<p>Generic Drugs — Tier 1</p> <p>\$7.00 for a one-month (up to 34-day) supply of drugs in this tier (deductible does not apply)</p> <p>\$14.00 for a two-month (60-day) supply of drugs in this tier (deductible does not apply)</p> <p>\$21.00 for a three-month (90-day) supply of drugs in this tier (deductible does not apply)</p> <p>Preferred Brand Drugs — Tier 2</p> <p>\$25.00 for a one-month (up to 34-day) supply of drugs in this tier</p> <p>\$50.00 for a two-month (60-day) supply of drugs in this tier</p> <p>\$75.00 for a three-month (90-day) supply of drugs in this tier</p> <p>Non-Preferred Brand Drugs — Tier 3</p> <p>75% coinsurance for a one-month (up to 34-day) supply of drugs in this tier</p> <p>75% coinsurance for a two-month (60-day) supply of drugs in this tier</p> <p>75% coinsurance for a three-month (90-day) supply of drugs in this tier</p> <p>Specialty Tier Drugs — Tier 5</p> <p>25% coinsurance for a one-month (up to 34-day) supply of drugs in this tier</p> <p>25% coinsurance for a two-month (60-day) supply of drugs in this tier</p> <p>25% coinsurance for a three-month (90-day) supply of drugs in this tier</p> <p>Not all drugs are available at this extended-day supply. Please contact the Plan for more information.</p>

Benefit Category	
MAIL ORDER	<p>Generic Drugs — Tier 1</p> <p>\$7.00 for up to a three-month (90-day) supply of drugs from the Medco Pharmacy® (deductible does not apply)</p> <p>Preferred Brand Drugs — Tier 2</p> <p>\$50.00 for up to a three-month (90-day) supply of drugs from the Medco Pharmacy</p> <p>Non-Preferred Brand Drugs — Tier 3</p> <p>75% coinsurance for up to a three-month (90-day) supply of drugs from the Medco Pharmacy</p> <p>Specialty Tier Drugs — Tier 5</p> <p>25% coinsurance for up to a three-month (90-day) supply of drugs from the Medco Pharmacy</p>
COVERAGE FOR VACCINES	Your Plan covers a number of vaccinations. Your <i>Evidence of Coverage</i> explains the costs associated with the vaccine drugs and their administration. These rules can be complicated. Consider contacting Customer Service before getting any vaccination so that you have a complete understanding of your costs.
COVERAGE GAP STAGE	After your total yearly drug costs reach \$2,930, this Plan will cover generic drugs at the same co-payment/coinsurance as in the Initial Coverage stage. There is no coverage gap for covered generic drugs under this Plan. The Commonwealth of Virginia Retiree Health Benefits Program is also continuing to provide coverage during the Coverage Gap stage for covered brand-name drugs. This coverage, along with the Medicare Manufacturers' Discount Program, will result in your generally paying no more for your covered brand-name drugs in the Coverage Gap than you paid in the Initial Coverage stage.
ADDITIONAL PROTECTION — CATASTROPHIC COVERAGE STAGE	<p>After your total yearly out-of-pocket drug costs reach \$4,700, you pay the greater of:</p> <p>A \$2.60 co-payment for a generic drug (or drugs treated as generics) and a \$6.50 co-payment for all other drugs, or 5% coinsurance.</p>
OUT OF NETWORK	Covered Part D drugs are available at out-of-network pharmacies only in special circumstances, including illness while traveling where there is no network pharmacy. (Prescriptions filled outside of the United States are not covered.) You will need to pay the full cost of a prescription filled at an out-of-network pharmacy and request reimbursement. If the claim qualifies for reimbursement, you may be reimbursed up to the standard co-payment/coinsurance applicable during your current coverage stage. Contact the Plan for more details.

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

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