

PEEHIP Medicare Plus

(Coverage for Medicare-Eligible Retirees)

This plan is a supplement to hospital and medical benefits provided under Medicare Parts A and B and is available to Medicare eligible retirees. This coverage is similar in nature to C-Plus and other Medicare supplemental insurance plans. It provides hospital and non-hospital benefits as outlined below. This plan does not provide benefits for custodial care such as help in walking, eating, bathing and dressing. Members must have Medicare Part A and Part B, and Medicare must be your primary payer for claims. Most Medicare eligible members and dependents should not enroll in the Medicare Part D program if they are also enrolled in the PEEHIP Medicare Plus Coverage.

PEEHIP Hospital Benefits *(Administered by Blue Cross and Blue Shield of Alabama)*

Benefit		
Inpatient Hospital Charges		
Medicare Pays	PEEHIP Pays	YOU Pay
All but the Part A deductible per admission. All but applicable coinsurance after 60 days.	All but \$200 per admission and daily \$25 copayment for days 2-5. Applicable coinsurance after 60 days.	A \$200 deductible, copay of \$25 per day for days 2-5, and any personal charges (such as private room, telephone, TV, etc.).

PEEHIP Non-Hospital Benefits

Benefit		
Outpatient Hospital Charges		
Medicare Pays	PEEHIP Pays	YOU Pay
80% of Medicare's approved amount after the Medicare Part B deductible.	20% of Medicare's approved amount after the member meets Medicare Part	The Part B deductible, a copay up to \$30 for physician visits, any charges not

Benefit		
Outpatient Hospital Charges		
Medicare Pays	PEEHIP Pays	YOU Pay
	B deductible and the \$30 copay for physician visit.	covered by Medicare or PEEHIP, and charges above the Medicare allowable amount when using unassigned providers.

Pharmacy Program *(Administered by MedImpact)*

- ◆ Participating Pharmacy: When using a Participating Pharmacy you pay the following:
 - ◇ \$6 for any covered generic prescription drug
 - ◇ \$40 for any covered preferred brand drug (The preferred brand drug list can be found on the PEEHIP Web site at www.rsa-al.gov.)
 - ◇ \$60 for any covered non-preferred brand drug
 - ◇ Approved maintenance drugs may be purchased up to a 90-day supply for one copayment of \$12 for generic, \$80 for preferred and \$120 for non-preferred. The drug must be on the approved maintenance list and must be prescribed as a maintenance drug. First fill for a maintenance drug will be a 30-day supply.
- ◆ Participating pharmacies will file all claims for you. Most major pharmacy chains in-state and out-of-state participate with the PEEHIP MedImpact prescription drug plan.
- ◆ Members and covered dependents must use Bioscrip for specialty medications.
- ◆ The PEEHIP prescription drug plan includes Step Therapy, prior authorization, and quantity level limitations for certain medications.
- ◆ Medicare Part B covered medications are excluded from primary coverage under the PEEHIP prescription drug benefit but will be covered under the Medicare Part B benefit. PEEHIP will pay secondary to Medicare.
- ◆ **Effective August 1, 2011, members pay the following copayment for generic prescription drugs purchased at any Walgreens' pharmacy:**
 - ◇ **\$7 for any covered generic prescription**
 - ◇ **\$14 for approved 90-day supply for maintenance medications**
 - ◇ **All other copayments are the same as those charged at any participating pharmacy.**

Non-Participating Pharmacy

- ◆ There are no benefits if you use a non-participating pharmacy in Alabama or if you are enrolled in a Medicare Part D drug plan.
- ◆ Coverage outside Alabama: You will file the claim and be reimbursed at the Participating Pharmacy rate less the appropriate copay.

Out-of-State Coverage

- ◆ When you receive medical treatment outside Alabama, Medicare of that state is responsible for the payment of the claim. When you receive the Explanation of Medicare Benefits statement from that state, you must send Blue Cross a copy of the statement attached to a completed claim form in order for Blue Cross to consider the charges for payment. Always list your identification number on the claim form. Claim forms can be found on the PEEHIP Web site at www.rsa-al.gov.

Out-of-Country Coverage

- ◆ If you receive medical treatment outside the United States, Medicare may not make payment. In this situation, if the services are medically necessary, PEEHIP will pay primary under the major medical benefits. All PEEHIP deductible and coinsurance amounts and contract limitations will apply. The claims must be stated in U.S. dollars and filed with Blue Cross of Alabama.

Non-Participating Hospitals and Outpatient Facilities

- ◆ Currently there are no non-participating inpatient or outpatient facilities in Alabama. However, when choosing a hospital or outpatient facility located outside Alabama, you may want to consider checking with the facility first to determine if they are Blue Cross and Blue Shield participating providers. With your health plan benefits, you have the freedom to choose your health care provider.
- ◆ To maximize your coverage and minimize your out-of-pocket expenses, you should always use network providers for services covered by your health plan. Your out-of-pocket expenses will be significantly higher in a non-participating hospital or facility. When you choose a network provider, you don't have to worry about extra out-of-pocket expenses.

Additional changes

In accordance with the Federal Health Care Reform Legislation, the following two changes have been made to the PEEHIP Hospital Medical Plan benefits:

- ◆ PEEHIP will not impose a copayment or deductible expense for immunizations or preventive care.
- ◆ PEEHIP will cover emergency services without the need for pre-authorization and will treat out-of-network ER benefits the same as in-network ER benefits.

Excluded Services

- ◆ Coverage is not provided for nursing home costs, charges in excess of Medicare allowed charges, vision and dental care (except accidental injuries), cosmetic surgery, hearing aids, and experimental procedures.
- ◆ Medicare Part B covered medications are excluded from primary coverage under the PEEHIP prescription drug benefit but will be covered under the Medicare Part B benefit. PEEHIP will pay secondary to Medicare.