



PEEHIP Employer Group Waiver Plan (EGWP)

New for 2013

Medicare Part D Prescription Drug Coverage

Effective January 1, 2013, all Medicare-eligible retirees and Medicare-eligible dependents covered under the Public Education Employees' Health Insurance Plan (PEEHIP) will be automatically enrolled into the Medicare GenerationRx Part D Prescription Drug Program offered by PEEHIP. This change does **not** affect PEEHIP active members, non-Medicare eligible members, or members already enrolled in another Medicare Part D plan. Medicare GenerationRx (Employer PDP) is a Medicare approved Part D sponsor and is sponsored by Stonebridge Life Insurance Company. Participation in this Employee Group Waiver Plan (EGWP) is a win-win for Medicare-eligible retirees, covered Medicare-eligible dependents, and PEEHIP. ■

PEEHIP ID Card and Medicare GenerationRx Card

Medicare-eligible retirees and Medicare-eligible dependents should continue to use their current PEEHIP ID card through December 31, 2012, for prescription drug coverage. You will need to keep your current PEEHIP ID card for hospital and medical claims even after December 31, 2012.

Effective January 1, 2013, Medicare-eligible retirees and Medicare-eligible dependents will need to use their **new** Medicare GenerationRx ID card for prescription claims if they are enrolled in the PEEHIP Medicare GenerationRx Part D Prescription Drug Program and use their current PEEHIP ID card and Medicare Part A and B card for hospital medical coverage. ■

Why Medicare-eligible Retirees & Medicare-eligible Dependents Should Participate in the PEEHIP Medicare GenerationRx Part D Prescription Drug Program

In past years, PEEHIP advised retirees not to sign up for an individual Medicare Part D Plan because retirees had prescription drug coverage under the PEEHIP plan. PEEHIP received subsidy money for these retirees under the Retiree Drug Subsidy (RDS) program by providing prescription drug coverage. However, in 2013, PEEHIP is moving its Medicare-eligible retirees and Medicare-eligible dependents to a group Medicare Part D plan which provides additional savings to PEEHIP while keeping your prescription drug benefits intact.

Medicare-eligible retirees and Medicare-eligible dependents can expect to see very little change in prescription benefits. In fact, as a result of this new plan, there are a number of benefits to switching to the EGWP program:

- ◆ **Significant Cost Savings** to the PEEHIP plan of an estimated **\$26-\$28 million** in the first year.
- ◆ **Minimal Disruption** to Medicare-eligible retirees and Medicare-eligible dependents with the same or lower out-of-pocket costs, using the same pharmacies, and having the option of Medication Therapy Management for qualifying members.
- ◆ **Low Income Subsidies (LIS)** that will provide "extra benefits" to low income retirees who qualify.
- ◆ **E-prescribing**, which drives the best value and convenience for the retiree and PEEHIP.
- ◆ **Robust Communications Plan and Customer Call Center.** ■

Dependents Who Are Not Yet Medicare-eligible

All Medicare-eligible retirees and Medicare-eligible dependents will automatically be enrolled in PEEHIP Medicare GenerationRx Part D Prescription Drug Program unless they choose not to participate (see Opting Out information on page 4).

The Medicare-eligible retiree's spouse or other covered dependents who are not Medicare eligible will remain in the PEEHIP (non-Medicare) prescription drug plan. The non-Medicare dependent(s) should continue to use their current PEEHIP ID card and will not be enrolled in the PEEHIP EGWP program until the dependent(s) becomes Medicare eligible. ■

Can Medicare-eligible retirees & Medicare-eligible dependents enrolled in PEEHIP's Medicare GenerationRx Part D Prescription Drug Program be enrolled in an individual Medicare D plan?

No. Medicare does not allow a person to be enrolled in two Part D plans at the same time.

Formulary Changes for Medicare-eligible Retirees & Medicare-eligible Dependents

Members currently enrolled with PEEHIP as a Medicare-eligible retiree or Medicare-eligible dependent will be grandfathered in the new drug plan and can continue getting Part D-eligible drugs that they are currently taking at the same copay tier that they are currently paying today, as long as they refill and take their medications as prescribed. This applies to any 30-day prescription medication filled at a retail pharmacy within 130 days prior to joining the plan and any 90-day prescription medication filled at a Chioce90Rx pharmacy within 190 days of joining the plan. This also impacts Medicare-eligible members and Medicare-eligible dependents who have obtained prior authorization (PA) for those drugs or have met a step therapy requirement. PA and step therapy history is recorded so Medicare-eligible members and Medicare-eligible dependents do not have to repeat that process. If the PA expires, the member will be required to obtain an additional prior authorization.

Medicare-eligible members and

Medicare-eligible dependents who are new enrollees with PEEHIP as of January 1, 2013, will be placed on Medicare GenerationRx's 4-tier national open formulary. Age-ins to Medicare coverage, who have a prescription drug claim history with PEEHIP, will be grandfathered and continue with their current formulary, as long as they refill and take their medications as prescribed. PEEHIP has worked with the Medicare GenerationRx team to ensure that there are minimal changes within Medicare-eligible members' and Medicare-eligible dependents' benefit plan design by providing additional coverage that mirrors PEEHIP's current formulary.

PEEHIP's formulary drug list will be included in a pre-enrollment packet that Medicare-eligible retirees and Medicare-eligible dependents will receive in mid-October. The formulary will also be available online beginning October 1, 2012. Medicare-eligible retirees and Medicare-eligible dependents can also use the online drug search available on the website at www.medicaregenerationrx.com/PEEHIP

to determine which drugs are covered along with the associated cost sharing, or they can call Medicare GenerationRx's Customer Service at 877.633.7943. TTY users dial 711. Customer Services is open 24 hours a day, 365 days a year.

If a drug is not included on Medicare GenerationRx's list of covered drugs (formulary), Medicare-eligible members and Medicare-eligible dependents should first contact Medicare GenerationRx's Customer Services and ask if the drug is covered. For a complete listing of all prescription drugs covered by Medicare GenerationRx, please visit www.medicaregenerationrx.com/PEEHIP.

PEEHIP is providing enhanced prescription benefits to access additional medications that have been excluded from Medicare Part D through a wrap benefit. These prescription drugs are not normally covered under Medicare. ■

My local pharmacy is having trouble filling my prescription.

Can Medicare GenerationRx help?

Prior to January 1, 2013, pharmacists should continue to call the phone number listed on the members' current PEEHIP ID card for assistance.

On and after January 1, 2013, pharmacists should call the Medicare GenerationRx Pharmacy & Provider Help Desk at 888.678.7789. ■

Member Communications You Can Expect for Medicare GenerationRx

Medicare GenerationRx is the name of the Medicare Part D Employer Group Waiver Plan (EGWP) offered by PEEHIP. All communications sent to members after the pre-registration mailing will be from Medicare GenerationRx.

Every Medicare-eligible member and Medicare-eligible dependent enrolled in the PEEHIP Medicare GenerationRx Part D Prescription Drug Program will receive a separate individualized prescription drug ID card. The new ID card will be issued by Medicare GenerationRx, and will **NOT** replace your current PEEHIP hospital medical ID card. **Medicare-eligible retirees and Medicare-eligible dependents will need to keep both cards.** Beginning January 1, 2013, use your Medicare GenerationRx card when you fill your prescription medications at the pharmacy and your PEEHIP hospital medical ID card and your Medicare Part A and B card for all other claims. These cards should arrive in November.

PEEHIP will send a pre-notification mailing to all Medicare-eligible members and Medicare-eligible dependents at the beginning of October. In mid-October, a pre-enrollment information packet will be mailed by Medicare GenerationRx to all Medicare-eligible members and Medicare-eligible dependents.

All plan pre-enrollment and enrollment mailings will display the Medicare GenerationRx logo and the PEEHIP logo:



The **Pre-enrollment Information Packet** will be mailed in mid-October by Medicare GenerationRx and will contain:

- ◆ **Summary of Benefits**
- ◆ **Abridged Formulary** listing of covered drugs alphabetically and by therapy class
- ◆ **Pharmacy Directory** for the state based on eligible member's address
- ◆ **Explanation of Grievances, Coverage Determinations & Appeals**
- ◆ **Plan ratings document** (Centers for Medicare & Medicaid Services (CMS) requires PEEHIP to include this, but plan ratings are not yet available.)
- ◆ **Opt-out letter**

If Medicare-eligible retirees and Medicare-eligible dependents choose **not** to participate in PEEHIP's Medicare Part D plan, the instructions will be included in the opt-out letter within the pre-enrollment information packet. **Unless members opt out, they will automatically be enrolled in the plan.**

IMPORTANT: If an eligible member does opt out of the PEEHIP Medicare GenerationRx plan and is not enrolled in another Part D plan, the member will lose the PEEHIP prescription and medical coverage and will not be permitted to re-enroll until the next PEEHIP Open Enrollment period of July 1 through August 31 for an October 1 effective date. If the member has family coverage and is not enrolled in another Part D plan, opting out will disenroll the entire family from both the PEEHIP medical and prescription drug coverage.

Welcome Packet

In **November 2012**, after CMS approves Medicare-eligible retirees' and Medicare-eligible dependents' enrollment in Medicare GenerationRx Prescription Drug Program, they will receive a new prescription drug ID Card and Welcome Packet.

This information includes:

- ◆ **Prescription Drug ID card with your name on it**
- ◆ **Welcome letter**
- ◆ **Evidence of Coverage (EOC)** - a document that describes the Medicare Part D coverage
- ◆ **Privacy Policy**
- ◆ **Pharmacy options letter**
- ◆ **Fraud, Waste and Abuse reporting information**

Medicare-eligible retirees and Medicare-eligible dependents will receive Centers for Medicare and Medicaid Services (CMS) required information in the mail about the plan or plan programs. Examples of these letters include a Notice for Determination of LIS Eligibility & Ineligibility and Notice to Research Potential Out of Area Status.

Medicare-eligible retirees and Medicare-eligible dependents will also receive additional communications beginning in January, and if the Part D benefit is used, monthly Explanation of Benefits starting in February. ■

PEEHIP Medicare GenerationRx Plan Copays

The Medicare GenerationRx formulary (drug list) has a four-tier copayment structure:

	Preferred Pharmacies Up to 30-day Retail	Walgreens Retail Pharmacies Up to 30-day Retail	Preferred Pharmacies Up to 90 day Retail (Choice90Rx) - PEEHIP Maintenance Drug List Meds Only	Walgreens Retail Pharmacies Up to 90 day Retail (Choice90Rx) - PEEHIP Maintenance Drug List Meds Only
Tier 1: Generic	\$6	\$7	\$12	\$14
Tier 2: Preferred Brand	\$40	\$40	\$80	\$80
Tier 3: Non-Preferred Brand	\$60	\$60	\$120	\$120
Tier 4: Specialty*	\$60	\$60	\$120	\$120

The new Medicare GenerationRx plan includes a *Wrap* benefit, which provides full coverage if you reach the Medicare Coverage Gap, or *Donut Hole*. This allows member cost sharing to remain consistent throughout the coverage year.

If members reach the catastrophic phase (\$4,750 in 2013), the benefit will either be the lesser of the corresponding tier copay or the default CMS-defined amounts as follows:

- ♦ Generic drugs – greater of 5% coinsurance or \$2.65 copay
- ♦ Brand drugs – greater of 5% coinsurance or \$6.60 copay

*Specialty drugs are those with a cost of \$600 or more. ■

Opting Out of the Medicare GenerationRx Part D Prescription Drug Program

Medicare-eligible retirees and Medicare-eligible dependents will receive a pre-enrollment packet in mid-October from Medicare GenerationRx. This includes a letter with opt-out instructions if they do not wish to participate in the PEEHIP Medicare GenerationRx Part D Prescription Drug Program. This is called *Opting Out*. Medicare-eligible retirees and Medicare-eligible dependents considering opting out should contact PEEHIP to discuss the impact of this decision.* PEEHIP can be reached at 334.517.7000 or Toll Free 877.517.0020.

***IMPORTANT:** If an eligible member does opt out of the PEEHIP Medicare GenerationRx plan and is not enrolled in another Part D plan, the member will lose the PEEHIP prescription and medical coverage and will not be permitted to re-enroll until the next PEEHIP Open Enrollment period of July 1 through August 31 for an October 1 effective date. If the member has family coverage and is not enrolled in another Part D plan, opting out will disenroll the entire family from both the PEEHIP medical and prescription drug coverage. ■

Retail Pharmacies to Use After January 1, 2013

Medicare-eligible retirees and Medicare-eligible dependents can continue to fill their prescriptions at their current pharmacy as long as it is a Medicare Part D participating pharmacy. The Medicare GenerationRx national pharmacy network includes over 62,000 pharmacies. You can find the participating pharmacies in the pharmacy directory you will receive in your pre-enrollment packet, or on line at www.medicaregenerationrx.com/PEEHIP using the Pharmacy Locator tool. ■