



Humana® Selected for PEEHIP Medicare Part D Plan

The PEEHIP staff recently issued a request for proposal (RFP) for its Part D (prescription drug) benefit of its Medicare Advantage Plan. Currently, Humana® administers Parts A (hospital), B (medical), and D (prescription drug) benefits for PEEHIP Medicare members. The Parts A and B are within a multi-year term contract, but to achieve better pricing, PEEHIP previously split the Part D into a separate contract with a one-year term that ends December 31, 2026. This new RFP was to obtain a contract

for Part D benefits effective January 1, 2027. This is a one-year contract with up to three optional renewal years.

PEEHIP partnered with its consulting actuaries, Segal Consulting, to procure a Part D contract, and, as a result of the bidding process, Humana® was once again the highest-scoring bidder, including service and price. Therefore, Humana® will continue to be the Part D administrator for PEEHIP Medicare members in 2027. No action is needed on the part of PEEHIP members. ●

CBO's Increased Projections for Medicare Part D

The Congressional Budget Office (CBO) is a nonpartisan provider of national budgetary effects of legislation. The CBO provides the U.S. Congress with data and economic analysis, or “scoring,” for nearly every bill approved by the budget committees in the House and the Senate. The CBO does not make policy recommendations; instead, it provides data on the budgetary effects of proposed legislation. One of the CBO's statutory requirements is to create *The Budget and Economic Outlook*.¹

In this year's *The Budget and Economic Outlook* report, significant updates were made to previous Medicare Part D (prescription drug) spending projections due to revised impacts from the 2022 Inflation Reduction Act (IRA).

Given the significance of these revised budgetary impacts, some members of Congress asked the CBO to explain how its calculations have changed. In its letter dated July 29, 2026, the CBO provided information about its revised projections.

As background, the IRA contained three major changes that drive changes to Part D spending. These are drug price negotiation, drug inflation rebates, and a redesign of which parties pay which share of Part D drugs.

Drug price negotiation involves the Department of Health and Human Services (HHS) negotiating directly with manufacturers for certain drugs. Previously, net prices were a function of the upfront drug cost, offset by rebate collections from manufacturers. Under the new direct negotiation model, the rebate offset is nearly nullified, whereas the upfront cost is reduced. Per the CBO, the net result of this change has been much smaller than previously expected, meaning the net cost of some of these drugs post-negotiation has not reached the lower dollar amount expected from the net amount arrived at previously, driven by manufacturer rebates.

The IRA also provided for rebates to be paid by manufacturers in the event its drug prices outpace inflation. The CBO also indicates these inflation rebates have been smaller than previously forecasted. For the direct negotiated drugs, upfront prices have fallen – providing insulation against these new inflation rebates. However, for some of these drugs, despite inflating less than the boundary set in the IRA, the net cost has not fallen as much as expected.²

Third, the IRA redesigned the split of payments for Part

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D drugs amongst the patient, the plan (such as the PEEHIP Humana Part D Plan), the manufacturer, and the Centers for Medicare & Medicaid Services (CMS). Prior to the IRA, as patients accumulated Part D costs throughout the year, they progressed through statutory phases in which the cost of the drug was split differently by phase amongst these parties. Once drugs accumulated to a certain threshold, CMS assumed 80% of the cost of the drug via a process known as reinsurance. The IRA reduced the 80% CMS payment to 20%. In doing so, plans had to absorb the difference. Each year, plans forecast their upcoming Part D spending and submit this amount to CMS via a bid, which then becomes the upfront funding CMS provides to plans, called the direct subsidy. As a result of this Part D redesign, bids to CMS have increased much higher than expected,

resulting in much higher direct subsidy payments from CMS to plans.

Lastly, increases in Part D projections are not solely due to the IRA, but due to greater-than-expected increases in utilization of prescription drugs, particularly GLP-1s and specialty drugs.³

As the effects of drug price and utilization continue to intertwine with impacts from the IRA, PEEHIP and its business partners will continue to analyze the overall impact for our members to proactively ensure we offer the best possible drug benefit at the lowest possible cost. ●

¹ <https://www.cbo.gov/about/10-things-to-know>

² <https://www.drugchannels.net/2026/08/who-will-pay-for-prescription-drugs-in.html>

³ <https://www.cbo.gov/publication/62549>

Protect Yourself Against the Flu

It's now officially fall, which means flu season is here and will be ramping up quickly. Although detected year-round, most flu viruses are spread in the fall and winter. Usually, flu activity begins to increase in October, so ideally, everyone six months of age and older should get a flu vaccine by the end of October.

The CDC recommends an annual flu vaccine as the most important step to reduce your risk of flu and potentially serious flu outcomes. Furthermore, vaccinating people at higher risk is especially important to reduce their risk of severe flu illness. Higher risk people include young children, pregnant women, people with chronic health conditions, and people 65 years of age and older.

To protect yourself against the flu, remember that **the first and most important step is getting a flu vaccine**. Additionally, these steps can help prevent flu sickness:

- Avoid close contact with sick people.
- If you are sick, avoid contact with others as much as possible. If you get the flu, stay home for at least 24 hours until both are true: improved symptoms and no fever.
- Clean frequently touched surfaces.
- Cover your mouth and nose when you cough or sneeze.
- Wash your hands often.
- Don't touch your eyes, nose, or mouth.¹

Despite these proven best practices, sometimes people still get sick. If you do end up getting the flu, know that most people with the flu have mild symptoms and do not

need medical care or antiviral drugs. If you do get sick, please stay home to avoid spreading the flu to others. If you are very sick or worried about your illness, contact your healthcare provider to see if you need antivirals or other treatment options.²

To help you and those around you stay healthy, your PEEHIP benefits allow you to receive your flu vaccine via a variety of different options:

- your doctor's office,
- your local pharmacy, or
- the Alabama Dept. of Public Health (ADPH).
 - To see a listing of available and upcoming flu shot clinics, please visit <https://dph1.adph.state.al.us/PublicCal2/>.

There is no additional cost or copay for any of the flu shot options. Please remember to bring your PEEHIP ID card to whichever location you choose for your vaccine.

Members covered under the PEEHIP Humana® Group Medicare Advantage (PPO) Plan: Be sure to show your Humana® ID card when getting a flu shot from your doctor, your pharmacy, or the ADPH.

Contact your network pharmacy in advance to inquire about flu vaccine availability, age restrictions, and current vaccination schedules. Also, don't forget to present your member ID card to the pharmacist. ●

¹ <https://www.cdc.gov/flu/prevention/index.html>

² <https://www.cdc.gov/flu/takingcare/index.html>

Medicare-Eligible PEEHIP Members

The information below pertains to Medicare-eligible PEEHIP retirees or Medicare-eligible dependents of PEEHIP retirees. For more information, visit rsa-al.gov/peehip/retirees/.

New this Year – PEEHIP's Open Enrollment for Medicare Members Aligns with National Medicare Open Enrollment.

Each year, Medicare holds its Annual Enrollment Period (AEP) from October 15 – December 7. This is the time when Medicare allows Medicare-eligible individuals to enroll or change their individual Medicare plan coverage. **If you are Medicare-eligible, the PEEHIP Open Enrollment for hospital medical coverage now aligns with the national Medicare Open Enrollment, which this year is October 15, 2026, through December 7, 2026.** This means your time to add or change coverage(s) or dependent(s) begins on October 15. **This does not apply to PEEHIP members who are not Medicare-eligible.**

As a PEEHIP Medicare member, you have an exclusive Group Medicare Advantage plan that was designed at the direction of PEEHIP to meet its benefit requirements. Only Medicare-eligible members of PEEHIP (retirees and dependents) are eligible to enroll in this plan. Medicare allows groups like PEEHIP to determine their own annual enrollment period.

PEEHIP Medicare members who like their PEEHIP coverage can simply disregard all the information from other plans about Medicare open enrollment. In fact, if you would like to stay in your PEEHIP coverage, it is very important that you do not enroll in any individual Medicare plan like a Medicare Advantage or Part D Prescription drug plan. If you do, you will risk losing your PEEHIP-sponsored medical and prescription drug coverage.

Medicare only allows you to be enrolled in one Medicare Advantage plan and one Medicare Part D prescription drug plan at a time. If you enroll in another Medicare Advantage plan or a stand-alone Medicare Part D plan not offered by PEEHIP, you will be disenrolled from the PEEHIP Group Medicare Advantage (PPO) Plan. Any family members will also be disenrolled from this PEEHIP Medicare Advantage coverage, and you and your family will not have hospital medical or drug coverage with PEEHIP.

If you drop your PEEHIP group-sponsored retiree health coverage, you will not be able to reenroll until the next PEEHIP Open Enrollment period of October 15 through December 7 for a January 1, 2028, effective date. ●

Make Time for a Preventive Mammogram

October is Breast Cancer Awareness Month, a good time to focus on preventive screenings and early detection. Mammograms can help find breast cancer early, sometimes before symptoms appear. When breast cancer is found early, treatment may be less aggressive, and outcomes may be more successful.¹

Regular screenings are important even if you feel healthy. Many women with breast cancer have no symptoms, and most breast cancers occur in women with no family history of the disease.² A mammogram is an X-ray image of the breast that can help detect changes that may not be felt during a physical exam.

Talk with your doctor about your personal risk factors and how often you should receive a mammogram. Your doctor can help you decide what screening schedule is right

for you based on your age, health history, and other risk factors.

Go365® Mammogram Reward Opportunity

Eligible Go365® members may earn a \$30 reward once per year for completing a preventive mammogram.

GET HEALTHY: Preventive Screenings		
Mammogram	\$30 in rewards	1 per year

For more information or to get started with the Go365® by Humana® Program, visit MyHumana.com and click on Go365® from your dashboard. (Your username and password will be the same as you use to sign in to MyHumana.com). If you prefer to participate by mail, you can request paper materials by calling your dedicated PEEHIP Humana®

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Group Medicare Customer Care team at 800.747.0008, (TTY:711), Monday – Friday, 7 a.m. – 8 p.m. CT, or visit your.Humana.com/PEEHIP.

Preventive screenings are an important part of staying well. If you are due for a mammogram, consider scheduling your mammogram and talking with your doctor

about any questions or concerns. ●

¹ American Cancer Society. Breast Cancer Early Detection and Diagnosis. <https://www.cancer.org/cancer/types/breast-cancer/screening-tests-and-early-detection.html>

² Centers for Disease Control and Prevention. Breast Cancer Basic Information. <https://www.cdc.gov/breast-cancer/about/index.html>

Stay Up to Date on Recommended Vaccines

Vaccines are an important part of preventive care and can help protect you from certain serious illnesses.



As you review your health needs for the year, talk with your doctor about which vaccines may be recommended for you based on your age, health history, and other risk factors. Common adult vaccines may include the flu, shingles, pneumonia, RSV, and tetanus.

Vaccines can help reduce the risk of serious illness, hospitalization, and complications from preventable diseases. Staying up to date on recommended immunizations is an important part of maintaining overall health and wellness as we age.¹

Vaccines covered under Medicare Part D may be easier to receive at a participating pharmacy because the pharmacy will bill the claim directly. In many cases, Part D vaccines received at a doctor's office may require members to pay upfront and submit a reimbursement request afterward. Members may want to check with

their doctor about coverage and billing before receiving a vaccine. Medicare covers the following vaccines under Part B, the medical portion of Medicare: hepatitis B, rabies, tetanus, flu, pneumonia, COVID-19, and COVID-19 boosters. Pharmacies are able to bill the medical portion of the plan; if you elect, you can get your flu, pneumonia, and COVID-19 vaccinations at participating pharmacies.

Go365[®] Flu Shot Reward Reminder

Eligible Go365[®] members may earn a \$5 reward once per year for completing a flu shot. The flu shot is one preventative activity that may help you stay prepared for flu season while also supporting your overall wellness.

GET HEALTHY: Preventive Screenings

Flu shot	\$5 in rewards	1 per year
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¹ <https://www.cdc.gov/flu/prevention/index.html>