

## TRS-ActiveCare

### Medicare Prescription Drug Coverage

(September 19, 2005)

In the July 2005 TRS News, TRS notified you about Medicare Part D, the new prescription drug benefit established under the Medicare Prescription Drug, Improvement, and Modernization Act of 2003. This *optional* new program goes into effect January 1, 2006. Enrollment for eligible individuals will take place from November 15, 2005 through May 15, 2006.

If you are eligible for **and** enrolled in Medicare Part A and/or Part B, you can enroll in a Medicare Part D plan. TRS is providing this information to assist you in making a decision about whether or not you should enroll in a Medicare Part D plan.

Several companies (called "PDPs" for Prescription Drug Plans) are expected to offer Medicare Part D coverage. Each PDP is likely to offer different plans and may have a different network of pharmacies. The plans available to you may not cover the drugs that you currently take and may not offer a mail service feature. The Medicare Part D minimum level of coverage required by law is the Medicare Part D standard plan. Based on information available in September, the estimated monthly premium for the standard plan in Texas will be \$32.20. PDPs may also offer other plans with enhanced coverage. Under a timeline set by the Centers for Medicare and Medicaid Services (CMS), information on specific Medicare Part D plan options will not be available until October 2005.

The following chart illustrates the Medicare Part D standard plan for 2006:

	<b>What Happens</b>	<b>Range of Drug Costs</b>	<b>Cost to You (+ an estimated \$32.20 per month premium)</b>	<b>What Medicare Covers</b>
<b>1.</b>	You must pay the calendar year deductible of \$250. If you are married you and your spouse must each satisfy this deductible.	\$0 to \$250	\$250 deductible	\$0
<b>2.</b>	Once you meet your \$250 deductible, you pay 25% of the next \$2,000 in eligible drug costs. The Medicare Part D standard plan pays 75% of the next \$2,000 in eligible drug costs.	\$250 to \$2,250	A maximum of \$500, or 25% of the next \$2,000	\$1,500, or 75% of the next \$2,000
<b>3.</b>	Once you reach \$2,250 in eligible prescription drug costs, you then pay 100% of the next \$2,850 in eligible prescription drug costs for the year.	\$2,250 to 5,100	A maximum of \$2,850	\$0
<b>4.</b>	After you reach \$5,100 in eligible prescription drug costs, you pay 5% or a co-payment of \$2 for generic and \$5 for brand name drugs, whichever is greater. The Medicare Part D standard plan pays 95% of any remaining eligible prescription drug costs for the year.	\$5,100+	5% or a co-payment of \$2 for generic and \$5 for brand name drugs, whichever is greater	95% of any remaining eligible prescription drug costs for the year

*Note: This chart is based on current information available regarding the standard Medicare Part D plan. Medicare is still finalizing the rules related to Medicare Part D, so the information on this chart is subject to change.*

The decision to enroll in a Medicare Part D plan is a personal one. **However, if you are enrolled in one of the PPO plans, ActiveCare 1, 2, or 3, you probably should not take any action to enroll in a Medicare Part D plan and keep only your TRS-ActiveCare coverage in the upcoming year.** Here are some key points enrollees in ActiveCare 1, 2, or 3 should consider in making a decision regarding enrollment in Medicare Part D:

- **All of the PPO plans offered under TRS-ActiveCare, ActiveCare 1, 2, and 3 have been determined to be creditable coverage. “Creditable coverage” means that on average the coverage is equal to or better than the Medicare Part D standard plan. Having creditable coverage allows you to enroll in a Medicare Part D plan during future annual enrollments without penalty (late fees) as long as you do not go 63 days or more without creditable prescription drug coverage.**
- Should you choose to enroll in a Medicare Part D plan, TRS-ActiveCare will be primary coverage and Medicare Part D will be secondary coverage. The additional premium you will pay for Medicare Part D will most likely not be worth the additional benefit you may receive.
- The Medicare Part D plans available to you may not cover the drugs that you currently take, include the retail pharmacy that you regularly visit, or offer a mail service feature.
- **If you are eligible for additional financial assistance from the federal government under Medicare Part D, you should strongly consider enrolling in Medicare Part D.** You will pay a reduced (or no) Medicare Part D premium and receive enhanced benefits. See the contact information in the chart below to find out if you may qualify for financial assistance.

In October, if you are, or will be, 65 years or older in the 2005-2006 plan year, TRS will mail you a Notice of Creditable Coverage if you are enrolled in ActiveCare 1, 2, or 3. If you choose to enroll in a Medicare Part D plan after the initial enrollment period, you may have to supply this notice for each year between 2006 and the year you enroll in the Medicare Part D plan.

**If you are enrolled in an HMO offered under TRS-ActiveCare, FIRSTCARE, Mercy Health Plans, Scott & White Health Plan, or Valley Baptist Health Plan, the HMO will soon be providing information to you regarding whether your plan is considered creditable coverage.**

Keep in mind that Medicare Part D is a new program with administrative complexities and this information is based on TRS’s current understanding of the program. We will update the TRS Web site, [www.trs.state.tx.us](http://www.trs.state.tx.us), as new information becomes available.

If you have questions regarding.....	Contact.....
Eligibility or enrollment in a Medicare Part D plan.	Medicare at 1-800-MEDICARE (1-800-633-4227) or visit <a href="http://www.medicare.gov">www.medicare.gov</a> . TTY users should call 1-877-486-2048.
Information you received from the Prescription Drug Plans (PDPs) offering Medicare Part D coverage in your area.	The PDP at the phone number or web site included in the materials you will begin receiving from the PDPs in October.
Whether or not you are eligible to receive federal financial assistance to help cover the cost of Medicare Part D coverage.	The Social Security Administration at 1-800-772-1213 or visit SSA online at <a href="http://www.socialsecurity.gov">www.socialsecurity.gov</a> . TTY users should call 1-800-325-0778.
Your ActiveCare 1, 2 or 3 coverage.	Medco at 1-866-355-5999.
Your FIRSTCARE coverage.	FIRSTCARE at 1-800-884-4901.
Your Mercy Health Plans coverage.	Mercy Health Plans at 1-800-617-3433.
Your Scott & White Health Plan coverage.	Scott & White Health Plan at 1-800-321-7947.
Your Valley Baptist Health Plan coverage.	Valley Baptist Health Plan at 1-800-829-6440.