

# ROCHESTER INSTITUTE OF TECHNOLOGY

## 2010 Information on Medical and Rx Plan Changes Due to Medicare Eligibility

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*This information is designed to help you understand what will happen with your medical and prescription drug coverage since you (or your spouse/partner) will soon become eligible for Medicare and what form(s) you need to complete to make this change.*

### **What is Medicare?**

Medicare is a federal insurance program and is administered by the Centers for Medicare and Medicaid Services (CMS). Medicare is generally available at age 65 for those who are retired. Those who continue to work past age 65 can continue to be covered under the active employee plan. Medicare has two parts: 1) *Part A* (hospitalization), and 2) *Part B* (medical). There is no premium for the Part A coverage (premiums for Part A are paid through a portion of the FICA tax deduction from the paycheck of those who are working). There is a premium for the Part B coverage; this premium (generally \$96.40 per month in 2010, but it could be higher based on income) is deducted from your Social Security check.

For more information about Medicare, contact the Social Security Administration at (800) 772-1213/v and (800) 325-0778/TTY; or, go to the Medicare web page at <http://www.medicare.gov>.

### **Becoming Eligible for Medicare**

In addition to the enclosed information, you should receive information from CMS about enrolling in Medicare. If you don't receive anything (it is usually sent about 3 months prior to your 65<sup>th</sup> birthday), you should contact your local Social Security office and enroll in Medicare Part A (hospitalization) and Part B (medical). You may also receive information from Excellus BlueCross BlueShield. You can disregard the information from Excellus BCBS because you should complete the enclosed form(s) as outlined later in this document. Please return to RIT's administrator, Q&F Benefit Administration as outlined at the end of this document.

In order to continue RIT medical coverage, you must enroll in Medicare Part A and Part B. You do NOT need to enroll in a Medicare prescription drug plan because the coverage that RIT offers along with each retiree medical plan is considered creditable coverage.

### **RIT Coverage Change-Medical Plan**

When you (and/or your spouse/partner) become eligible for Medicare (generally the first of the month in which you attain age 65), you will need to change plans because the RIT Medicare plans are different than the pre-Medicare plans. There are Medicare rules regarding geographic access as outlined below:

Medicare Advantage Plans (available only if reside in the Rochester area at least six months of the year)  
Medicare Blue Choice (*benchmark plan for cost sharing purposes*)  
Preferred Gold

Preferred Provider Organization (available only if you reside permanently outside the Rochester area)  
Blue PPO (*benchmark plan for cost sharing purposes*)

### **If You OR Your Spouse/Partner is Eligible for Medicare But the Other is NOT**

If either you **OR** your spouse/partner is eligible for Medicare (one of you is under age 65 and the other is age 65 or older), the person who is not eligible for Medicare will continue to participate in one of the pre-Medicare plans and the one who is eligible for Medicare will participate in one of the RIT plans for Medicare eligible individuals as

described below. You need to participate in the same type of plan, as follows:

Pre-Medicare (Under 65) Person	Medicare Eligible (Over 65) Person
Blue Point2 POS A, B or B No Drug, POS C	Medicare Blue Choice or Preferred Gold
Blue PPO	Blue PPO

### **RIT Coverage Change-Prescription Drug Plan**

The prescription drug coverage will be similar to your current coverage, but it **WILL CHANGE** when you (and/or your spouse/partner) become eligible for Medicare, based on the RIT Medicare medical plan you elect. **You will no longer have RIT's prescription drug plan through Medco.** Below is a summary of your new prescription drug coverage compared to what you have had with RIT Rx.

Category	RIT's Rx Plan for POS A, B and Blue PPO (current)	RIT's Rx Plan for POS C (current)	Preferred Gold	Medicare Blue Choice and Blue PPO
Drug benefit	3 tier copays	Pay a \$250 annual deductible before 3 tier copay amounts charged	5 tier copays	3 tier copays
Coverage Tiers	<i>Tier 1: generic drugs</i>	<i>Tier 1: generic drugs</i>	<i>Tier 1: most generic drugs</i>	<i>Tier 1: generic drugs</i>
	<i>Tier 2: formulary brand name drugs</i>	<i>Tier 2: formulary brand name drugs</i>	<i>Tier 2: preferred brand name drugs</i>	<i>Tier 2: formulary brand name drugs</i>
	<i>Tier 3: non-formulary brand name drugs</i>	<i>Tier 3: non-formulary brand name drugs</i>	<i>Tier 3: Non-preferred brand name drugs</i>	<i>Tier 3: non-formulary brand name drugs</i>
			<i>Tier 4: Specialty drugs (drugs costing \$600 or more)</i>	
			<i>Tier 5: Restricted Drugs/Exception</i>	
Copays for 30-day supply at retail	<i>Tier 1: \$10</i>	<i>Tier 1: \$10</i>	<i>Tier 1: \$10</i>	<i>Tier 1: \$10</i>
	<i>Tier 2: \$25</i>	<i>Tier 2: \$50</i>	<i>Tier 2: \$25</i>	<i>Tier 2: \$25</i>
	<i>Tier 3: \$40</i>	<i>Tier 3: \$100</i>	<i>Tier 3: \$40</i>	<i>Tier 3: \$40</i>
			<i>Tier 4: \$40</i>	
			<i>Tier 5: \$40</i>	
Copays for 90-day supply at mail order	<i>Tier 1: \$25</i>	<i>Tier 1: \$25</i>	<i>Tier 1: \$20</i>	<i>Tier 1: \$30</i>
	<i>Tier 2: \$62.50</i>	<i>Tier 2: \$125</i>	<i>Tier 2: \$50</i>	<i>Tier 2: \$75</i>
	<i>Tier 3: \$100</i>	<i>Tier 3: \$250</i>	<i>Tier 3: \$80</i>	<i>Tier 3: \$120</i>
			<i>Tier 4: \$80</i>	
			<i>Tier 5: \$80</i>	
Mail-order pharmacy	Medco	Medco	Medco	Express Scripts

*If you are using Medco's home delivery pharmacy with RIT's prescription drug coverage, Medco-by-Mail, you **will** need to take action, as follows:*

- You will need to obtain new prescriptions from your physician for any prescription you have had filled through Medco By Mail.
- If you sign up for Preferred Gold, you can continue to use Medco (Medco is the pharmacy benefit manager for MVP (formerly Preferred Care) and you will have a financial incentive to do so, but it is a different plan so you will need to send your new prescriptions to Medco, just like it is a new enrollment.
- If you sign up for Medicare Blue Choice or Blue PPO, you will no longer be able to use Medco's home delivery pharmacy (Medco does not administer prescription drug benefits for Excellus BCBS). Excellus BCBS offers a home delivery pharmacy through Express Scripts, but as you will see in the chart earlier in this section, there is not a financial incentive to use this mail order program (i.e., the 90-day mail order price is the same as filling three 30-day supply prescriptions at the retail pharmacy). More information is available from Excellus BCBS on their website or by calling their Member Services line at (877) 668-7636/v and (585) 454-2845/TTY.

*If you have your prescriptions filled at a retail pharmacy, you may continue to do so. However, you will need to let the pharmacy know that your coverage is changing and you will need to provide your new identification card to them.*

### **Applications to Complete to Make the Change in Your RIT Coverage**

In addition to your Medicare enrollment, you will need to complete an application(s) for your RIT coverage. The number of applications to enroll and the number of ID cards you receive varies by plan as follows:

*Medicare Blue Choice* – complete **one application**; you will receive **one ID card**, a Medicare Blue Choice ID card, that you use for both medical services and prescription drugs.

*Preferred Gold* -- complete **one application**; you will receive **two ID cards**, a Preferred Gold ID card that you use for medical services and a Medco Preferred Gold ID card that you use for prescription drugs.

*Blue PPO*-- complete **two applications** (BCBS application and Simply Prescriptions application); you will receive **two ID cards**, a BCBS ID card that you use for medical services and a Simply Prescriptions ID card that you use for prescription drugs.

### **Cost Sharing (based on employee hire date prior to 1/1/04)**

The retiree contribution toward the medical insurance premium will change as the retiree's age changes, as follows:

- **Age 50 to 54:** Retiree pays 100% of the medical insurance premium
- **Age 55 to 64:** Retiree contributes toward the cost of the medical insurance premium as though he/she were an active employee
- **Age 65 and over:** Retiree pays the monthly contribution amount under the *Benchmark Plan* cost sharing rules for the retiree and any other eligible family members covered. The *Benchmark Plan* is defined annually. For 2010 it is Medicare Blue Choice inside Rochester and Blue PPO outside Rochester.

If the retiree chooses a plan that costs more than the *Benchmark Plan*, the retiree will pay the difference. The retiree is responsible for deductibles, co-insurance, co-payments, and other costs under the plan as well as the Medicare Part B premium).

Cost sharing when the spouse/partner is under age 65 and the retiree is over age 65: The total contribution amount will be based on two components: the contribution amount for the Medicare-eligible retiree under the Benchmark Plan rules plus the contribution amount for the pre-Medicare spouse/partner based on the pre-Medicare cost sharing rules (same amount active employees pay).

Cost sharing when the retiree is age 55 to 64 and the spouse is over age 65: The total contribution amount will be based on two components: the contribution amount for the Medicare-eligible spouse/partner under the Benchmark Plan rules plus the contribution amount for the pre-Medicare retiree based on the pre-Medicare cost sharing rules (same amount active employees pay).

Cost sharing when the retiree is under age 50 and the spouse/partner is over age 65: The contribution amount will be the sum of the total premium for the pre-Medicare plan for the retiree plus the total premium for the Medicare plan that the spouse/partner has. When the retiree attains age 55, the total contribution amount will be based on two components: the contribution amount for the Medicare-eligible spouse under the Benchmark Plan rules plus the contribution amount for the pre-Medicare retiree based on the pre-Medicare cost sharing rules (same amount active employees pay).

### **What You Need to Do – at a Glance**

- Enroll in Medicare Part A and Part B directly with Medicare
- Do not enroll in a Medicare prescription drug plan
- Complete the medical insurance application for the plan you want to join
- Complete the Simply Prescriptions application if you are enrolling in the Blue PPO.
- Return your RIT medical application (and Simple Prescriptions application, if applicable) to RIT's administrator as follows:
  - Q&F Benefit Administration, Inc.
  - 349 W. Commercial St.
  - Suite 2525
  - East Rochester, NY 14445-2402
- Contact Q&F with any questions:
  - Telephone: (585) 383-8520
  - Or, toll free: (800) 687-0578

*The information is for a retiree and the spouse/partner when becoming eligible for Medicare. The information in this document is based on the current benefits and they can be changed at any time in the future. If there is any confusion or conflict regarding plan features, the plan document/contract will be the final authority. RIT reserves the right to change, modify, discontinue, or terminate benefits at any time for any reason.*