

2011 Annual Notice of Changes

Union Pacific Railroad Employees Health Systems Prime Medicare Plans

1040 North 2200 West Suite 200, Salt Lake City, Utah 84116

Dear UPREHS Medicare Member:

This is the time of year when we like to thank you for your membership and inform you of plan changes for the upcoming year. This *Annual Notice of Changes* gives you a summary of the changes in your benefits and what you will pay for these services in 2011. The benefit information provided is a brief summary, not a comprehensive description of benefits. For more information, look in your Benefit Guide and your Medicare & You Handbook. **If you do not want to change your coverage under UPREHS, you don't need to do anything – you will automatically be reenrolled in the UPREHS Prime Medicare Plans. Remember, if you cancel your prescription coverage with us, you will automatically cancel all other Medicare coverage under UPREHS including the HCPP and Medicare Secondary Plan. Once you are disenrolled from UPREHS, you may not have another opportunity to join.**

A summary of the following information is described in this letter. For details, look in your Benefit Guide, Formulary Book and your Medicare & You Handbook.

- **Section 1. Monthly Premium** There is **NO** change to your combined monthly premium for 2011 – it remains \$220 per month! Your UPREHS combined monthly premium including all UPREHS Prime Medicare Plans remains the same.
- **Section 2. Part D prescription drugs** Medicare has made changes that affect all plans including ours. UPREHS has made changes to your plan so that we can balance some of the Federal changes. **Just a \$9 copayment now gets you a 90-day supply of any Tier 1 Generic drug from the Depot Drug Mail Pharmacy while you are in your \$2,840 Initial Coverage benefit stage. There is an increase in the Tier 2 copayment.** There is a reduction in Tier 4 copayments for Depot Drug Walk-in pharmacies. No Part D drug has been removed unless Medicare removed it. You will receive a new Formulary Book with this mailing.
- **Section 3. Medical Services** There are **NO** changes to your UPREHS HCPP and Prime Medicare Secondary Plan for 2011.
- **Section 4. Do you want to stay in the UPREHS Medicare Plans? Do nothing – we will automatically re-enroll you!**
- **Section 5. Do you need some help?** Telephone numbers for UPREHS, your state SHIP and Medicare are listed in this notice.

SECTION 1. MONTHLY PREMIUM FOR UPREHS PRIME MEDICARE PLANS – NO CHANGE

Combined Monthly Premium	2010 (this year) Monthly	2011 (next year) Monthly
UPREHS Prime Medicare Plans - Prescription Drug, HCPP and Medicare Secondary plans	\$220	\$220

Starting January 1, 2011, the monthly premium that you pay to UPREHS for your Prime Medicare Plans (Part D, and HCPP Medicare Secondary Plan) **continues to be \$220 per month.**

You will continue to pay your Medicare Part B monthly premium as a separate cost in addition to your UPREHS premium. Most people will pay the standard Part B premium. For more information on Part B premiums based on income, call Social Security at 1-800-772-1213. TTY users should call 1-800-325-0778.

What if you are currently getting help to pay for your drugs?

If you already get help paying for your drugs, and that won't change in 2011, some of the information in this *Annual Notice of Changes* is not correct for you. If you are getting extra help, we have included a separate insert, called the "Evidence of Coverage Rider for People Who Get Extra Help Paying for Prescription Drugs" (LIS Rider) that tells you about your premiums and drug copayments. If are getting help and don't have this insert, please call Customer Services at 1-800-547-0421, Monday through Friday, 7:30 AM to 3:30 PM, Mountain Time, and ask for the "Evidence of Coverage Rider for People Who Get Extra Help Paying for Prescription Drugs" (LIS Rider).

SECTION 2. PART D PRESCRIPTION DRUGS

You will receive a new Formulary Book for the Prime Medicare Plan with this mailing giving you more details. Medicare has made changes to all Part D plans and UPREHS has made changes to balance those.

- **You pay NO DEDUCTIBLE! \$310 is paid for you by UPREHS!** No first-dollar costs to you except for drug copayments.
- **There are changes to your prescription copayments for 2011! Just a \$9 copayment gets you a 90-day supply of any Tier 1 Generic drug from the Depot Drug Mail Pharmacy while you are in your Initial Coverage benefit stage! There is an increase to the Tier 2 brand name drug copayment for Depot Drug pharmacies and an increase in Tier 1 and 2 copayments at the Ascend pharmacy beginning in 2011. There are no changes for retail pharmacy or Tier 3 and 4 drug copayments. See your Formulary Book for details.**

2011 Compared to 2010 30-Day Copayment Amounts for Part D Drugs	2011 Tier 1 Generic Drugs 30-Day	2010 Tier 1 Generic Drugs 30-Day	2011 Tier 2 Brand Preferred 30-Day	2010 Tier 2 Brand Preferred 30-Day
Depot Drug Mail Pharmacy (preferred pharmacy) Just a \$9 copayment gets you a 90-day supply of any Tier 1 Generic drug from the Depot Drug Mail Pharmacy while you are in your Initial Coverage benefit stage!	\$3	\$5	\$15	\$10
Depot Drug Pharmacies in Omaha & North Platte (preferred pharmacies)	\$7	\$7	\$20	\$15
Ascend Specialty Drug Mail Order Pharmacy (preferred pharmacy)	\$7	\$5	\$20	\$10

- **ALL Part D drugs are included in your UPREHS formulary. No Part D Drug has been removed unless Medicare removed it.**
- **Your Part D Initial Coverage Amount (Limit) is the same as Medicare - \$2,840.** Your Initial Coverage Amount must match Medicare's so UPREHS can apply the new Coverage Gap discounts for 2011.
- **Your Out-of-Pocket (TrOOP) amount remains at \$4,550.** This amount is not changed for 2011.

- **If the actual cost of a drug is less than the Tier copayment amount for that drug, you will pay the actual cost plus dispensing fee, not the copayment! Some “\$4” drugs would cost you less than \$4 under this rule so make sure that you use your UPREHS ID Card!**
- **UPREHS no longer covers any drugs not covered by Medicare Part D.** If you wish to obtain a non-Part D drug from the Depot Drug Mail Pharmacy, you will pay the cost of the drug plus dispensing fee. These extended benefit drugs were covered in 2010 under some circumstance. Some of those drug examples are: Alprazolam, Diazepam, Lorazepam, Phenobarbital, Temazepam, etc.

Rest assured that the Part D drug you currently take is still covered unless Medicare has removed it. Medicare has made changes to all Part D plans. IF Medicare makes mid-year formulary changes, they will generally be limited to changes that decrease cost or increase safety. We have enclosed a 2011 Summary of Benefits, Formulary Book and Benefit Guide for your UPREHS Prime Medicare Plans showing your benefits that will be effective January 1, 2011.

The UPREHS Medicare Formulary and Benefit Guide will also be found on our www.uphealth.com website after January 1, 2011. If you need assistance, call UPREHS Customer Services at 1-800-547-0421 from 7:30 am to 3:30 pm, Monday through Friday, Mountain Time. Members requiring TTY services can call 711, the national access number.

If you received approval for a formulary or tiering exception request during the 2010 plan year, coverage for the drug approved under the exception will end on December 31, 2010 and the 2011 formulary will be in effect.

SECTION 3. MEDICAL SERVICES

- **There are no benefit changes to your UPREHS HCPP or Prime Medicare Secondary Plan for 2011 coverage for medical services.**
- **UPREHS pays your Medicare Part A and Part B Deductible amounts for 2011. Out of network reductions apply.**
- **UPREHS pays amounts approved but not paid by Medicare Parts A & B for most benefits. Out of network reductions apply.**

Will your doctors and other providers still be in the UPREHS network next year?

UPREHS has made no provider network changes for 2011. However, providers may move their practice, retire, or make the decision that they don't want to participate anymore at any time during the year.

- **Please check with your doctors and other providers you currently use** to make sure they will continue to be part of the provider network for UPREHS in 2011.
- For the most up-to-date information on the network of providers, check our website at www.uphealth.com or call Customer Services at 1-800-547-0421 from 7:30 am to 3:30 pm, Monday through Friday, Mountain Time. Members requiring TTY services can call 711, the national access number.

SECTION 4. DO YOU WANT TO STAY IN THE UPREHS MEDICARE PLANS? - OR MAKE A CHANGE?

Do nothing if you do not want to change your UPREHS coverage – you will automatically be reenrolled in the UPREHS Prime Medicare Plans for 2011.

If you join a different Medicare plan, including a Medicare Prescription Drug Plan, you will be disenrolled from ALL UPREHS Medicare Plans when your enrollment in the new plan begins. Once you are disenrolled from UPREHS, you may not have another opportunity to join. Your membership in the UPREHS Prime Medicare Plans is unique and dependent on your railroad retirement and/or previous membership in UPREHS. Our plans are not open to the public like other Medicare plans.

Do you want to make a change?

If you decide to leave the UPREHS Prime Medicare Plans, you can switch to a different Medicare Advantage plan or to Original Medicare (either with or without a separate Medicare prescription drug plan). If you want to change to a different plan, there are many choices.

When can you change to a different plan?

- During the yearly enrollment period (called the “annual coordinated election period”) from November 15 through December 31, 2010, you can change to any other Medicare Advantage plan (either with or without Medicare prescription drug coverage) or you can cancel your UPREHS enrollment and switch to Original Medicare (either with or without a separate Medicare prescription drug plan).

Is this the only time of the year to choose a different plan?

Yes for most people. Certain individuals, such as those with Medicaid, and those who get Extra Help paying for their drugs can make changes at other times. For more information, see your UPREHS Benefit Guide.

SECTION 5. DO YOU NEED SOME HELP? WOULD YOU LIKE MORE INFORMATION?

You can get help and information from UPREHS.

To learn more, read the information we have sent to you in this package.

- You may find additional information on our website at www.uphealth.com.
- If you have questions, we are here to help. You can call our Customer Services Department at 1-800-547-0421 from 7:30 am to 3:30 pm, Monday through Friday, Mountain Time. Members requiring TTY services can call 711, the national access number.

You can get help and information from your State Health Insurance Assistance Program.

The State Health Insurance Assistance Program (SHIP) is a government program with trained counselors in every state. SHIP's may have a different name in each state and each one is independent (not connected with any insurance company or health plan). Their counselors can help you with your Medicare questions or problems. They can help you understand your Medicare plan choices and answer questions about switching plans.

UPREHS is a national plan and cannot list each SHIP. You can find contact information for the SHIP in your State by calling Medicare at 1-800-633-4227. You can also find the website for your local SHIP at www.medicare.gov.

You can get help and information from Medicare.

Here are three ways to get information directly from Medicare:

- **Call 1-800-MEDICARE (1-800-633-4227)** 24 hours a day, 7 days a week. TTY users should call 1-877-486-2048.
- **Visit the Medicare website** (<http://www.medicare.gov>).
- **Read the *Medicare & You 2011 Handbook*.** Every year in October, this booklet is mailed to people with Medicare. It has a summary of Medicare benefits, rights and protections, and answers to the most frequently asked questions about Medicare. If you don't have a copy of this booklet, you can get it at the Medicare website (<http://www.medicare.gov>) or by calling 1-800-MEDICARE (1-800-633-4227).