

2012 Annual Notice of Changes – Please read Immediately

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 any plan changes for the upcoming year. This *Annual Notice of Changes* is only a brief summary of your benefits and what you will pay for these services in 2012. This is not a comprehensive description of benefits. For more information, look in your UPREHS Benefit Guides, Formulary Book, Summary of Benefits 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 sign up with a different plan, or 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.

What should you do?

Please read this document and the other material included in this mailing. If you make a change, your new coverage will start on January 1, 2012. Starting this year, you have from October 15 until December 7 to switch to a Medicare Advantage plan or a Medicare Prescription drug plan. A summary of the following information is described in this letter. For details, look in both of your UPREHS Medicare Benefit Guides, Formulary Book, Summary of Benefits and your Medicare & You Handbook.

- **Section 1. Monthly Premium** There is **NO** change for 2012 – **\$220 per month** for your combined monthly premium. The UPREHS combined monthly premium remains the same and includes all UPREHS Prime Medicare Plans including Part D prescription coverage.
- **Section 2. Part D prescription drugs** There are **NO** changes to your Tier copayments for 2012. Remember that 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 \$2,930 Initial Coverage benefit stage. 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 payment amounts under the UPREHS HCPP and Prime Medicare Secondary Plan for 2012.
- **Section 4. Do you want to stay in the UPREHS Medicare Plans? Do nothing and 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	2011 (this year) Monthly	2012 (next year) Monthly
UPREHS Prime Medicare Plans - Prescription Drug, HCPP and Medicare Secondary plans	\$220	\$220 NO CHANGE

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.

If Medicare requires you to pay a late enrollment penalty (LEP) because you went at least 63 days without Part D prescription drug coverage anytime after the end of your Part D initial enrollment period, your monthly premium for 2012 will be increased by the amount of your late enrollment penalty. Medicare determines the LEP amount.

If you get Extra Help paying for your drugs, 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 you 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).

Most people pay a standard monthly Part D Premium (yours is combined with your Medicare Secondary Plan premium). Some people also pay an extra amount because of their yearly income. If your income is \$85,000 or above for an individual (or married individuals filing separately) or \$170,000 or above for married couples, you must pay an extra amount for your Medicare Part D coverage. If you have to pay an extra amount, either the Social Security Administration or Railroad Retirement Board, not UPREHS, will send you a letter telling you what that extra amount will be.

SECTION 2. PART D PRESCRIPTION DRUGS

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

- **You pay NO DEDUCTIBLE! The 2012 Medicare \$320 Part D deductible is paid for you by UPREHS! No first-dollar costs to you except for drug copayments.**
- **There are NO changes to your prescription copayments for 2012!**

2012 30-Day Copayment Amounts for Part D Drugs	2012 Tier 1 Generic Drugs 30-Day	2012 Tier 2 Brand Preferred 30-Day	2012 Tier 3 Brand non-Preferred 30-Day	2012 Tier 4 Specialty Drugs 30-Day
Depot Drug Mail Pharmacy (preferred pharmacy) Just a \$9 copayment gets you a 90-day supply Tier 1 Generic drug	\$3	\$15	Higher of \$40 or 33% of drug cost	Higher of \$50 or 33% of drug cost
Depot Drug Pharmacies in Omaha & North Platte And Ascend Specialty Pharmacy (preferred pharmacies)	\$7	\$20	Higher of \$40 or 33% of drug cost	Higher of \$50 or 33% of drug cost
Retail Pharmacies (non preferred)	\$15	\$30	Higher of \$50 or 33% of drug cost	Higher of \$100 or 33% of drug cost

- **ALL Part D drugs are included in your UPREHS formulary. No Part D Drug has been removed unless Medicare removed it.**

- **Your 2012 Part D Initial Coverage Amount (Limit) is \$2,930. This amount is determined by Medicare.**
- **Your 2012 Out-of-Pocket (TrOOP) amount is \$4,700. This amount is determined by Medicare.**
- **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 does not cover 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.

Be 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 2012 Summary of Benefits, Formulary Book and Benefit Guides for your UPREHS Prime Medicare Plans showing your benefits that will be effective January 1, 2012.

The UPREHS Medicare Formulary and Benefit Guides will also be found on our www.uphealth.com website after January 1, 2012. 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.

SECTION 3. MEDICAL SERVICES

- **Medicare covers certain preventive services such as mammograms, prostate cancer screenings, and certain immunizations at no cost to you. Preventive services covered at no cost under Original Medicare, remain no cost to you with UPREHS.**
- **There are no benefit changes to your UPREHS HCPP or Prime Medicare Secondary Plan for 2012 coverage for medical services.**
- **UPREHS pays your Medicare Part A and Part B Deductible amounts for 2012. Out of network reductions apply.**
- **UPREHS pays amounts approved but not paid by Medicare Parts A & B for most benefits. For exclusions see your 2012 HCPP Benefit Guide. Out of network reductions apply.**

Will your doctors and other providers still be in the UPREHS network in 2012?

UPREHS has made no provider network changes for 2012. 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 2012.**
- 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 2012.

If you join a different Medicare plan, including changing to a different Medicare Prescription Drug Plan, you will be disenrolled from ALL UPREHS Medicare Plans when your enrollment in the new plan begins on January 1, 2012. 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 October 15 through December 7, 2011, you can change to a Medicare Advantage plan or to Original Medicare (either with or without Medicare prescription drug coverage).

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 and your Medicare & You Handbook.

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 2012 Handbook*.** Every year in October, this booklet is mailed to all 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).