

Introduction to the UPREHS Prime Medicare Plan Summary of Benefits

*A Medicare Part D Prescription Drug Plan
January 1, 2007 through December 31, 2007*

Who is eligible for this Plan?

YOU WILL AUTOMATICALLY BE ENROLLED BY UPREHS FOR 2007. DO NOTHING.

You must not enroll in another Medicare Part D Plan because you will be automatically disenrolled from your current UPREHS Medicare Plans membership. Once you are disenrolled from UPREHS, you may never get an opportunity to re-enroll.

Union Pacific Railroad Employees Health Systems (UPREHS) offers the UPREHS Prime Medicare Plan, which is a Medicare Prescription Drug Plan that is contracted with the Federal government. This Summary of Benefits tells you some features of our plan. It doesn't list every drug we cover, every limitation or exclusion. You will receive a complete formulary soon in a separate mailing and a 2007 UPREHS Prime Medicare Plan Benefit Guide by January 31, 2007.

There is no UPREHS Prime Medicare Plan Open Enrollment for 2007

You may only enroll in one Medicare Prescription Drug Plan at a time and may not be enrolled in a Medicare Advantage Plan (HMO, PPO) providing prescription drug coverage at the same time.

How can I compare my options?

The enclosed chart (Summary of Benefits) lists some important drug benefits for 2007. You can use this Summary of Benefits to compare the benefits offered by UPREHS to the benefits offered by other Medicare Prescription Drug Plans or Medicare Advantage Plans with prescription drug coverage.

Where is the UPREHS Prime Medicare Plan Available?

The service area for our plan is national, including Alaska and Hawaii. You must live in the United States to join. If you move out of the US, you must call UPREHS Customer Services to update your information. If you do not, you may be disenrolled from the UPREHS Prime Medicare Plan.

Where can I get my prescriptions?

You are required to use the UPREHS Mail Order Pharmacy for your maintenance drugs. A maintenance drug is one that you need to take longer than 30 days. UPREHS continues to provide your drugs at much lower copayments through our own UPREHS Mail Order Pharmacy. We return our discounts to you by lowering the actual cost of your drugs, which further expands your Part D benefit.

You still have access to our network of retail pharmacies, which are called non-preferred pharmacies that can provide you with one-time-only and emergency prescriptions. You must use either a preferred (UPREHS Mail Order Pharmacy) or non-preferred retail network pharmacy to receive plan benefits. UPREHS Prime Medicare Plan may not pay for your prescriptions if you use an out-of-network pharmacy, except in certain cases.

A non-preferred pharmacy is still a network pharmacy, but you have to pay a higher copayment for your prescriptions and you may not obtain your maintenance drugs through them. The non-preferred pharmacies in our network can change at any time. You can call UPREHS Customer Services to ask if your favorite pharmacy is in network, or your pharmacist can tell you by looking at your UPREHS Prime Medicare Plan ID card.

Does the UPREHS Prime Medicare Plan cover Medicare Part B or Part D Drugs?

The UPREHS Prime Medicare Plan is a pharmacy plan. We do not cover drugs that are covered under Medicare Part B as prescribed and dispensed; those drugs are paid under your Medicare Part B benefits. The UPREHS Prime Medicare Plan covers drugs, vaccines, biologicals and medical supplies that are covered under the Medicare Prescription Drug Benefit (Part D), are on our formulary, and even some drugs that are not covered by Medicare that are applied to your Extended Benefit amount.

All Medicare Prescription Drug Plans have a Formulary.

The UPREHS Prime Medicare Plan uses a formulary, as required by Medicare. For 2007, UPREHS has included all Medicare Part D drugs in our formulary. A formulary is a preferred list of drugs selected to meet patient needs. UPREHS has had many years of experience covering prescription drugs for our Medicare members, so our formulary is designed to meet your specific needs. We may periodically make changes to the formulary. If a change affects you, we will notify you in writing before the change is made.

What is a Medication Therapy Management (MTM) Program?

A Medication Therapy Management (MTM) Program is a service that UPREHS Prime Medicare Plan may offer to you if your health and pharmacy needs meet certain criteria. You may be invited to participate in this program designed for your specific health and pharmacy needs. You may decide not to participate but it is recommended that you take full advantage of this covered service if you are selected. UPREHS will supply more information to you about MTM if you are eligible.

What should I do if I have other insurance in addition to Medicare?

Medicare law requires you to report any other insurance you may have to UPREHS once each year. We will send you a Coordination of Benefits form with a return envelope soon. Complete the form and return it to UPREHS immediately even if you have no other insurance. Medicare will coordinate all of your benefits between all plans. Please refer to Coordination of Benefits form for more information.

How can I get help with drug plan costs?

Medicare beneficiaries with low or limited income and resources may qualify for additional assistance. If you qualify, your Medicare prescription drug plan costs - the amount of your premium and your drug costs at the pharmacy will be less. Once you have enrolled in UPREHS Prime Medicare Plan, Medicare will tell us how much assistance you are receiving, and we will send you information on the amount you will pay. If you are not receiving this additional assistance and think you may qualify, you should contact 1-800-Medicare for more information. Also, please refer to the enclosed document titled ***What do I need to know if I'm receiving extra help from Medicare to pay for my prescription drugs?***

What are my protections in the UPREHS Prime Medicare Plan?

UPREHS has been providing prescription drug benefits to our members since 1947. All Medicare Prescription Drug Plans agree to stay in the Federal program for a full year at a time. Each year, the plans decide whether to continue for another year. Even if UPREHS Prime Medicare Plan leaves the program, which we do not anticipate, you will not lose Medicare Part D coverage. If a plan decides not

to continue, it must send you a letter at least 90 days before your coverage will end. The letter will explain your options for Medicare prescription drug coverage in your area.

If UPREHS Prime Medicare Plan denies coverage for your prescription drugs, we will explain our decision to you. You always have the right to appeal and ask us to review the claim that was denied. In addition, if your physician prescribes a drug that is not on our formulary, you may ask us to make a coverage exception.

Please call UPREHS for more information about the UPREHS Prime Medicare Plan.

You may call our Customer Service Department from 7:30 am through 3:30 pm, Monday through Friday, Mountain Time at 800-547-0421. TTY/TDD users please call 711 national access number. You may also visit us on the Web at www.uphealth.com.

For more information about Medicare, call 1-800-Medicare (1-800-633-4227). TTY/TDD users should call 1-877-486-2048. You can call 24 hours a day, 7 days a week. Or visit www.medicare.gov.

Benefits, formulary, pharmacy network, premiums and/or copayments may change on January 1, 2008. You may contact UPREHS for details.