

2010 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. **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.**

The following information is described in this letter:

- **Section 1. Monthly Premium.** There is **NO** change to your combined monthly premium for 2010 – 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.** There is **NO** change to your prescription copayments for drugs in the preferred formulary Tiers 1, 2 or 4 for 2010! There is a change in your copayment for nonpreferred Tier 3 formulary drugs. Copayment for Tier 3 prescriptions from the Depot Drug Pharmacies and Ascend Specialty Pharmacy will be the highest of \$40 or 33% of drug cost. UPREHS includes ALL Part D drugs on our formulary. No Part D drug has been removed unless Medicare removed it. You will receive a new Formulary Book with this mailing. Medicare has made some changes to the prescription benefit cost sharing affecting all plans.
- **Section 3. Medical Services.** There are **NO** changes to your UPREHS HCPP and Prime Medicare Secondary Plan for 2010.
- **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

Combined Monthly Premium	2009 (this year) Monthly	2010 (next year) Monthly
UPREHS Prime Medicare Plans - Prescription Drug, HCPP and Medicare Secondary plans	\$220	\$220

Starting January 1, 2010, 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, some of the information in this *Annual Notice of Change* 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).

SECTION 2. PART D PRESCRIPTION DRUGS:

You will receive a new Formulary Book and Benefit Guides for the Prime Medicare Plans with this mailing giving you more details. UPREHS provides you with an Enhanced Benefit amount in addition to your Medicare Part D Benefits. Medicare has made some changes to the prescription benefit cost sharing affecting all plans.

- **There is NO change to your prescription copayments for drugs in the preferred formulary Tiers 1, 2 or 4 for 2010! There is a change in your copayment for nonpreferred Tier 3 formulary drugs. Copayment for Tier 3 prescriptions from the Depot Drug Pharmacies and Ascend Specialty Pharmacy will be the highest of \$40 or 33% of drug cost.**
- **UPREHS pays your Part D deductible amount of \$310 for 2010.**
- **ALL Part D drugs are included in the formulary. No Part D Drug has been removed unless Medicare removed it.**
- **Part D Initial Coverage Limit is \$3,000 NOT \$2,830 because UPREHS expands your benefit.** Medicare has changed the Initial Coverage Limit standard amount for all plans to \$2,830. UPREHS gives you back more of your money by expanding your Initial Coverage Limit to \$3,000 as an Enhanced Benefit.
- **Medicare has increased your Out-of-Pocket (TrOOP) amount to \$4,550.** This amount affects members of all Medicare Part D plans.
- **Your prescription drug copayments and drug costs at your Depot Drug Mail Pharmacy saves you money.** UPREHS saves you money and stretches your benefits. Your Depot Drug Mail Pharmacy charges less money for your copayments and drugs than retail pharmacies. Less money charged to your benefit gives you more prescriptions before you need to pay out of pocket.
- **Your UPREHS drug benefits are again expanded.** UPREHS pays for the cost of some behavioral health drugs not covered by Medicare Part D and you pay the applicable Tier copay and/or the cost of these drugs once your Enhanced Benefit is used. These drugs are not applied to your Part D benefits or cost sharing. 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, mostly with cost sharing. IF Medicare makes mid-year formulary changes, they will generally be limited to changes that decrease cost or increase safety. We have enclosed a 2010 Summary of Benefits, Formulary Book and Benefit Guides for your UPREHS Prime Medicare Plans showing your benefits that will be effective January 1, 2010.

The UPREHS Medicare Formulary and Benefit Guides will also be found on our www.uphealth.com website after January 1, 2010. 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 2009 plan year, coverage for the drug approved under the exception will end on December 31, 2009 and the 2010 formulary will be in effect.

SECTION 3. MEDICAL SERVICES

- **There are no benefit changes to your UPREHS HCPP or Prime Medicare Secondary Plan for 2010.**
- **UPREHS pays your Medicare Part A and Part B Deductible amounts for 2010. 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 2010. 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 2010.
- 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 2010.

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?

- During the yearly enrollment period (called the “annual coordinated election period”) from November 15 through December 31, 2009, you can change to any other Medicare Advantage plan or to Original Medicare (either with or without a separate Medicare prescription drug plan). Your new coverage will begin on January 1, 2010.
- You also have another, more limited enrollment period from January 1 through March 31, 2010. During this period (called the “open enrollment period”), you could switch to a different Medicare Advantage Plan with Part D prescription drug coverage or switch to Original Medicare plus a Medicare Prescription Drug Plan. For more information about your choices during the January 1 through March 31 open enrollment period, please see your UPREHS Benefit Guides.

Are these the only times of the year to choose a different plan?

Yes for most people. Certain individuals, such as those with Medicaid, those who get Extra Help paying for their drugs, or those who move out of the geographic service area, can make changes at other times. For more information, see your UPREHS Benefit Guides.

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 2010 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).

Thank you for your membership in Union Pacific Railroad Employees Health Systems. We look forward to serving you now and in the future.

Your Friends at the Union Pacific Railroad Employees Health Systems
Plan for Life.