

MEDICARE PART D

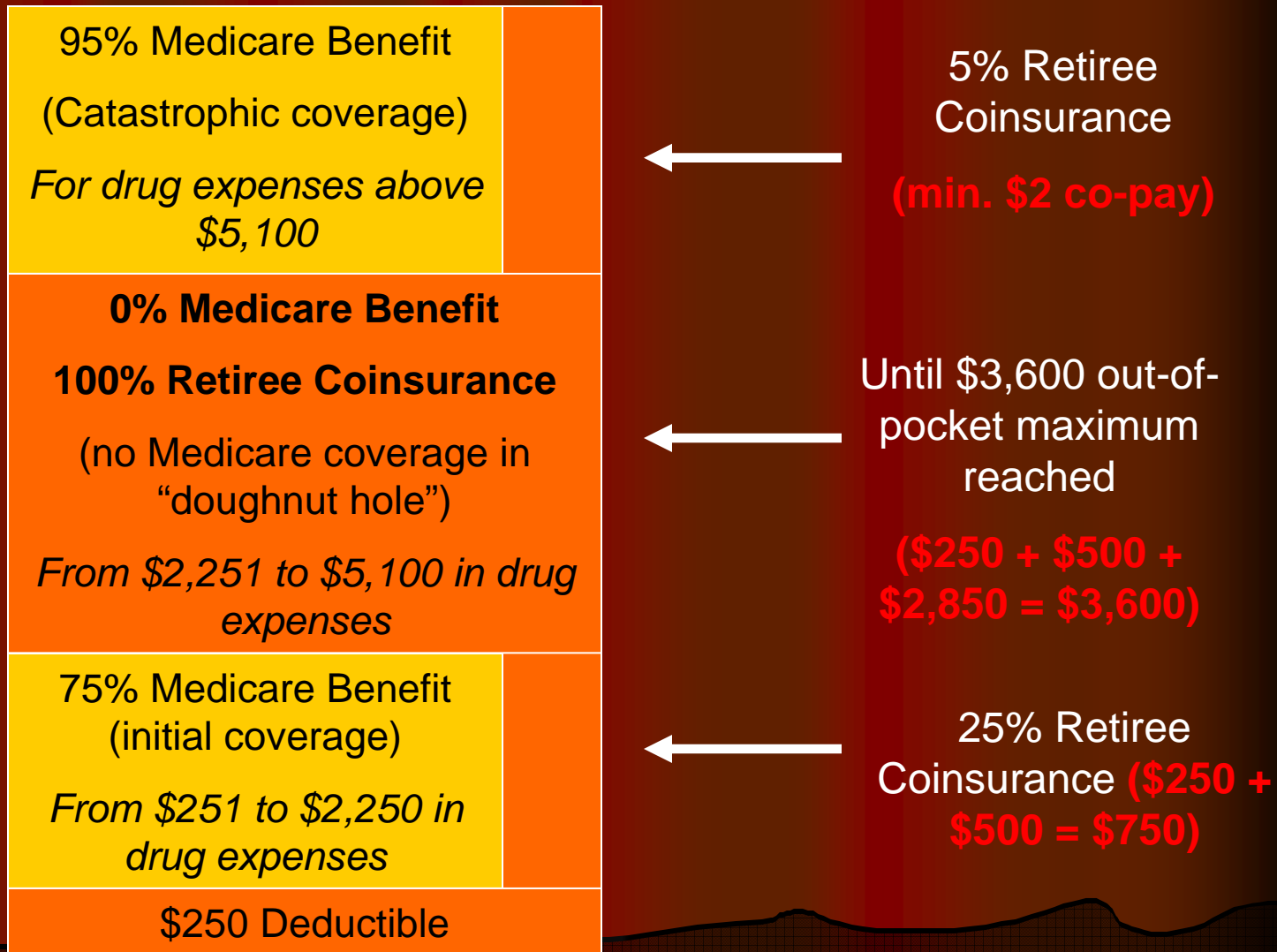
What you need to know

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NRAO Benefits Office
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What is Medicare Part D?

- New prescription drug program available to Medicare eligibles beginning January 1, 2006
- **Optional plan** – enrollment is not required
- Available for a **MONTHLY PREMIUM** (estimated \$32 per month)
- Available from multiple, independent companies, not from SSA or Medicare
- Costs and availability vary

Medicare Part D Payment Structure



What are "Out of Pocket" costs?

- \$250 Deductible is "Out of Pocket" cost
- Coinsurance amounts are "Out of Pocket" costs
- Some payments do not count towards Out of Pocket Maximum
 - Expenses paid on your behalf by 3rd parties such as:
 - employer group health plan
 - MediGap polices
 - Premium amounts do not count

How does Part D affect me and my NRAO drug plan?

- Employers are not REQUIRED to provide drug coverage if Part D is available
- If they do provide it, employers are required to prove “creditable coverage”
 - Certifies employer’s plan is “as good or better” than Medicare Part D
 - Mailed to all drug plan participants
- NRAO was required to prove its drug plan was “Actuarially Equivalent”

What does Actuarially Equivalent Mean?

- NRAO's pharmacy benefit option certified as providing "as good as or better" coverage
 - Determined by Milliman Consultants and Actuaries

How does my NRAO coverage compare?

- Three Tiered plan – no deductible applies
- **No MONTHLY PREMIUM**
- Available through Cigna Healthcare (RxPrime) and Tel-Drug
- Costs based on fixed co-pays for each tier
- Bigger savings through mail order (Tel-Drug – three for the price of two)

What's it all mean?

- Medicare Part D:
 - Monthly premium – estimated to be \$32.00
 - \$384 per year
 - \$250 Deductible – out of your pocket up front
 - 25% coinsurance from \$250 to \$2250
 - Potentially \$500 per year
 - After \$2251 in expenses, you pay **100%**
 - Potentially \$2,849 per year
 - Possible Out-of-Pocket per year:
 - **\$3,983**

What you need to know

- NRAO 3-Tiered Plan

- No monthly premiums or deductibles
- New co-pay structure, (effective January 1, 2006):
 - RxPrime (Pharmacy) – \$10/\$20/\$40
 - Tel-Drug (Mail Order) – \$20/\$40/\$80

- Additional Information

- New account number – 3213380 (replaces 0220016)
- New ID cards should arrive by 12/31/2005
- New phone number:
 - 1-800-244-6224 (1.800.CIGNA24)
- New remittance address:
 - Cigna Claims Processing
PO Box 5200
Scranton, PA 18505

NRAO Coverage vs Medicare Part D

- Compare:
 - Medicare D's **\$3,983** Out-of-Pocket per year equals:
 - **400 generic prescriptions in AUI's plan;**
 - **200 preferred brand-name prescriptions in AUI's plan**
 - **100 non-preferred brand-name prescriptions in AUI's plan**
 - Whether or not you require a prescription in a given month, your \$32 premium is due for the Medicare D coverage; the AUI plan does not require a premium

Is Medicare Part D Right for Me?

- Only you can decide. Things to consider:
 - Coverage not as complete as NRAO 3-tiered plan
 - Premium required for Part D, not NRAO
 - Potentially greater “Out of Pocket” exposure with Part D
 - Election of Part D allows NRAO to drop your Cigna coverage

What Next?

- Medicare will send information to you regarding Open Enrollment for Part D
 - November 15, 2005 to May 15, 2006
- Enrollment is NOT required
- If you choose not to enroll, you will have an opportunity to do so each year
 - penalties do not apply – NRAO coverage is creditable
- To keep your NRAO coverage do nothing, do not enroll in Medicare Part D

More information

- Medicare's website
 - www.medicare.gov
- NRAO Human Resources website
 - www.nrao.edu
 - Creditable Coverage Notice
 - Fact Sheet

Questions?