



Summary of Benefits

January 1 – December 31, 2012

Medco Medicare Prescription Plan® (PDP) Customer Service:

For more information about **Medco Medicare Prescription Plan (PDP)** for California Schools VEBA, please contact Customer Service at **1-877-640-7936** (TTY/TDD: **1-800-716-3231**). Customer Service is available 24 hours a day, 7 days a week. Customer Service is available in English and other languages. You can also visit us on the Web at **www.medco.com**.

This document may be available in other formats, such as braille, large print, or other alternate formats.

Introduction to the Summary of Benefits Report for **Medco Medicare Prescription Plan (PDP)** January 1, 2012 – December 31, 2012

Thank you for your interest in **Medco Medicare Prescription Plan (PDP)** for California Schools VEBA. Our Plan is offered by Medco Containment Life Insurance Company and Medco Containment Insurance Company of New York/
Medco Medicare Prescription Plan, a Medicare prescription drug plan that contracts 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. To get a complete list of our benefits, please call **Medco Medicare Prescription Plan (PDP)** and ask for the *Evidence of Coverage* and formulary.

You have choices in your Medicare prescription drug coverage

As a Medicare beneficiary, you can choose from different Medicare prescription drug coverage options. One option is to get prescription drug coverage through a Medicare prescription drug plan, like **Medco Medicare Prescription Plan (PDP)**. Another option is to get your prescription drug coverage through a Medicare Advantage Plan that offers prescription drug coverage. You make the choice.

Important: If you choose a prescription drug plan outside of your employer offering, this decision may impact other benefits, such as medical coverage. Please contact your group benefits administrator for more information before making a decision to leave this Plan.

How can I compare my options?

The chart in this booklet lists some important drug benefits. You can use this *Summary of Benefits* to compare the benefits offered by **Medco Medicare Prescription Plan (PDP)** to the benefits offered by other Medicare prescription drug plans or Medicare Advantage Plans with prescription drug coverage.

Where is Medco Medicare Prescription Plan (PDP) available?

The service area for this Plan includes: All 50 states, the District of Columbia, and Puerto Rico. You must live in one of these areas to join this Plan.

Who is eligible to join?

You can join this Plan if you are entitled to Medicare Part A and/or enrolled in Medicare Part B, live in the service area, and are eligible for benefits from California Schools VEBA. If you are enrolled in an MA coordinated care (HMO or PPO) plan or an MA PFFS plan that includes Medicare prescription drugs, you may not enroll in a PDP unless you disenroll from the HMO, PPO, or MA PFFS plan.

Enrollees in a Private Fee-for-Service Plan (PFFS) that does not provide Medicare prescription drug coverage, or an MA Medical Savings Account (MSA) Plan may enroll in a PDP. Enrollees in an 1876 Cost Plan may enroll in a PDP.

Where can I get my prescriptions?

Medco Medicare Prescription Plan (PDP) has formed a network of pharmacies. You must use a network pharmacy to receive plan benefits. We will not pay for your prescriptions if you use an out-of-network pharmacy, except in certain cases.

The pharmacies in our network can change at any time. You can ask for a *Pharmacy Directory* or visit us at www.medco.com. Our Customer Service numbers are listed on the front cover.

Does my Plan cover Medicare Part B or Part D drugs?

Medco Medicare Prescription Plan (PDP) does not cover drugs that are covered under Medicare Part B as prescribed and dispensed. Generally, we only cover drugs, vaccines, biological products, and medical supplies that are covered under the Medicare prescription drug benefit (Part D) and that are on our formulary.

What is a prescription drug formulary?

Medco Medicare Prescription Plan (PDP) uses a formulary. A formulary is a list of drugs covered by your plan to meet patient needs. We may periodically add, remove, or make changes to coverage limitations on certain drugs or change how much you pay for a drug. If we make any formulary change that limits our members' ability to fill their prescriptions, we will notify the affected enrollees before the change is made. We will send a formulary to you, and you can see our formulary on our website at www.medco.com.

If you are currently taking a drug that is not covered by this Plan or is subject to additional requirements or limits, you may be able to get a temporary supply of the drug. You can contact us to request an exception or switch to an alternative drug listed on our formulary with your physician's help. Call us to see if you can get a temporary supply of the drug or for more details about our drug transition policy.

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

If you have a Medigap (Medicare Supplement) policy that includes prescription drug coverage, you must contact your Medigap issuer to let them know that you have joined a Medicare prescription drug plan. If you decide to keep your current Medigap supplement policy, your Medigap issuer will remove the prescription drug coverage portion of your policy. Call your Medigap issuer for details.

How can I get Extra Help with my prescription drug plan costs or get Extra Help with other Medicare costs?

You may be able to get Extra Help to pay for your prescription drug premiums and costs as well as get help with other Medicare costs. To see if you qualify for getting Extra Help, call:

- 1-800-MEDICARE (1-800-633-4227). TTY users should call 1-877-486-2048, 24 hours a day/7 days a week; and see www.medicare.gov "Programs for People with Limited Income and Resources" in the publication *Medicare & You*;

- The Social Security Administration at 1-800-772-1213 between 7 a.m. and 7 p.m., Monday through Friday. TTY users should call 1-800-325-0778; or
- Your state Medicaid office.

What are my protections in this Plan?

All Medicare prescription drug plans agree to stay in the program for a full year at a time. Each year, the plans decide whether to continue for another year. Even if a Medicare prescription drug plan leaves the program, you will not lose Medicare coverage. If a plan decides not to continue, it must send you a letter at least 90 days before your coverage will end. This letter will explain your options for Medicare coverage in your area.

As a member of **Medco Medicare Prescription Plan (PDP)**, you have the right to request a coverage determination, which includes the right to request an exception, the right to file an appeal if we deny coverage for a prescription drug, and the right to file a grievance. You have the right to request a coverage determination if you want us to cover a Part D drug that you believe should be covered. An exception is a type of coverage determination. You may ask us for an exception if you believe you need a drug that is not covered by this Plan or believe you should get a non-preferred drug at a lower out-of-pocket cost. You can also ask for an exception to cost utilization rules, such as a limit on the quantity of a drug. If you think you need an exception, you should contact us before you try to fill your prescription at a pharmacy. Your doctor must provide a statement to support your exception request. If we deny coverage for your prescription drug(s), you have the right to appeal and ask us to review our decision. Finally, you have the right to file a grievance if you have any type of problem with us or one of our network pharmacies that does not involve coverage for a prescription drug. If your problem involves quality of care, you also have the right to file a grievance with the Quality Improvement Organization (QIO) for your state. Please refer to the *Evidence of Coverage (EOC)* for the QIO contact information.

What is a Medication Therapy Management (MTM) Program?

A Medication Therapy Management (MTM) Program is a free service we offer. You may be invited to participate in a 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. Contact **Medco Medicare Prescription Plan** (PDP) for more details.

Where can I find information on plan ratings?

The Medicare program rates how well plans perform in different categories (for example, detecting and preventing illness, ratings from patients, and Customer Service). If you have access to the Web, you may use the web tools on www.medicare.gov and select “Health & Drug Plans” then “Compare Drug and Health Plans” to compare the plan ratings for Medicare plans in your area. You can also call us directly to obtain a copy of the plan ratings for this Plan.

Our Customer Service numbers are listed on the front cover of this document. Please note the plan ratings document may not reflect specific costs or benefits available to you through your Employer Group Waiver Plan.

Medicare contact information

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

Plan premium information

For information concerning the actual premiums you will pay, please contact your district benefit administrator.

Summary of Benefits Report for Medco Medicare Prescription Plan (PDP)

Original Medicare: Most drugs are not covered under Original Medicare. You can add prescription drug coverage to Original Medicare by joining a Medicare prescription drug plan, or you can get all your Medicare coverage, including prescription drug coverage, by joining a Medicare Advantage Plan or a Medicare Cost Plan that offers prescription drug coverage.

Benefit Category	
OUTPATIENT PRESCRIPTION DRUGS	<p>Drugs Covered Under Medicare Part D</p> <p>General</p> <p>This Plan uses a formulary. The Plan will send you the formulary. You can also see the formulary at www.medco.com on the Web.</p> <p>Different out-of-pocket costs may apply for people who:</p> <ul style="list-style-type: none"> • have limited incomes, • live in long-term care facilities, or • have access to Indian/Tribal/Urban (Indian Health Service) providers. <p>Most people will pay their Part D premium. However, some people will pay a higher premium because of their yearly income (over \$85,000 for singles, \$170,000 for married couples). Although California Schools VEBA does not charge a premium for the prescription portion of the benefit, individuals who qualify for the Part D Income Related Medicare Adjustment Amount will be charged by the Social Security Administration similar to the Part B Income Related Premium that they are already paying. For more information about Part D premiums based on income, call Medicare at 1-800-MEDICARE (1-800-633-4227). TTY users should call 1-877-486-2048. You may also call Social Security at 1-800-772-1213. TTY users should call 1-800-325-0778.</p> <p>The Plan offers national in-network prescription coverage (i.e., this would include 50 states and the District of Columbia). This means that you will pay the same cost-sharing amount for your prescription drugs if you get them at an in-network pharmacy outside of the plan's service area (for instance, when you travel).</p> <p>Total yearly drug costs are the total drug costs paid by both you and a Part D plan.</p> <p>The Plan may require you to first try one drug to treat your condition before it will cover another drug for that condition.</p> <p>Some drugs have quantity limits.</p> <p>Your provider must get prior authorization from Medco Medicare Prescription Plan (PDP) for certain drugs.</p> <p>If the actual cost of a drug is less than the normal cost-sharing amount for that drug, you will pay the actual cost, not the higher cost-sharing amount.</p> <p>If you request an exception for a drug and Medco Medicare Prescription Plan (PDP) approves the exception, you will pay Tier 3: Non-Preferred Brand Drugs cost-sharing for that drug.</p>

Benefit Category	
INITIAL COVERAGE	You will pay the following until your total yearly drug costs reach \$2,930.
RETAIL PHARMACY	<p>Tier 1: Generic Drugs</p> <p>\$5.00 co-pay for a one-month (31-day) supply of drugs in this tier</p> <p>\$10.00 co-pay for a two-month (60-day) supply of drugs in this tier</p> <p>\$15.00 co-pay for a three-month (90-day) supply of drugs in this tier</p> <p>Not all drugs on this tier are available at this extended-day supply. Please contact the Plan for more information.</p> <p>Tier 2: Preferred Brand Drugs</p> <p>\$20.00 co-pay for a one-month (31-day) supply of drugs in this tier</p> <p>\$40.00 co-pay for a two-month (60-day) supply of drugs in this tier</p> <p>\$60.00 co-pay for a three-month (90-day) supply of drugs in this tier</p> <p>Not all drugs on this tier are available at this extended-day supply. Please contact the Plan for more information.</p> <p>Tier 3: Non-Preferred Brand Drugs</p> <p>\$35.00 co-pay for a one-month (31-day) supply of drugs in this tier</p> <p>\$70.00 co-pay for a two-month (60-day) supply of drugs in this tier</p> <p>\$105.00 co-pay for a three-month (90-day) supply of drugs in this tier</p> <p>Not all drugs on this tier are available at this extended-day supply. Please contact the Plan for more information.</p> <p>Note: Beginning with the fourth fill of a long-term medication at retail, your co-payment for a long-term medication will double. If you fill your medication through our mail-order service, you will pay the mail-order co-payment listed in the table.</p>
LONG-TERM CARE PHARMACY	<p>Tier 1: Generic Drugs</p> <p>\$5.00 co-pay for a one-month (31-day) supply of drugs in this tier</p> <p>Tier 2: Preferred Brand Drugs</p> <p>\$20.00 co-pay for a one-month (31-day) supply of drugs in this tier</p> <p>Tier 3: Non-Preferred Brand Drugs</p> <p>\$35.00 co-pay for a one-month (31-day) supply of drugs in this tier</p>

Benefit Category	
MAIL ORDER	<p>Tier 1: Generic Drugs</p> <p>\$10.00 co-pay for a three-month (90-day) supply of drugs in this tier</p> <p>Not all drugs on this tier are available at this extended-day supply. Please contact the Plan for more information.</p> <p>Tier 2: Preferred Brand Drugs</p> <p>\$40.00 co-pay for a three-month (90-day) supply of drugs in this tier</p> <p>Not all drugs on this tier are available at this extended-day supply. Please contact the Plan for more information.</p> <p>Tier 3: Non-Preferred Brand Drugs</p> <p>\$70.00 co-pay for a three-month (90-day) supply of drugs in this tier</p> <p>Not all drugs on this tier are available at this extended-day supply. Please contact the Plan for more information.</p>
COVERAGE GAP	<p>After your total yearly drug costs reach \$2,930, this Plan will cover generic drugs at the same co-payment as in the Initial Coverage stage. California Schools VEBA is also providing additional coverage to your benefit during the Coverage Gap stage for covered brand-name drugs. In addition to the 50% manufacturer discount, the addition of this coverage will mean that you will generally pay the same amount for your covered brand-name drugs as in the Initial Coverage stage.</p>
CATASTROPHIC COVERAGE	<p>After your yearly out-of-pocket costs reach \$4,700, you pay the greater of: \$2.60 for a generic drug (including brand drugs treated as generics) and \$6.50 for all other drugs, or 5% coinsurance with a maximum not to exceed the standard co-payments during the Initial Coverage stage.</p>
OUT OF NETWORK	<p>Plan drugs may be covered in special circumstances, for instance, illness while traveling outside of the plan's service area where there is no network pharmacy. You may have to pay more than your normal cost-sharing amount if you get your drugs at an out-of-network pharmacy. In addition, you will likely have to pay the pharmacy's full charge for the drug and submit documentation to receive reimbursement from Medco Medicare Prescription Plan (PDP). Please contact the Plan for more details.</p>
OUT-OF-NETWORK COVERAGE	<p>You will be reimbursed up to your standard co-payment or coinsurance for the coverage stage in which the claim occurred.</p>

Medco Health Solutions, Inc., 100 Parsons Pond Drive, Franklin Lakes, NJ 07417

Medco and **Medco Medicare Prescription Plan** are registered trademarks of Medco Health Solutions, Inc.

© 2011 Medco Health Solutions, Inc. All rights reserved.

B00VEA2A

medco[®]

