



Retiree Prescription Drug Benefits

Montgomery College Coverage versus the New
Medicare Coverage



Helping You Make The Right Decision

Table of Contents

New Medicare Drug Benefit – What Is It?	3
A Review Of Montgomery College’s Retiree Prescription Drug Coverage	3
About The New Medicare Drug Benefit	5
Which Drug Coverage Is Best For You: Montgomery College or Medicare?	6
Comparing Drug Coverage: Montgomery College or Medicare	7
If You Do NOT Enroll In A Medicare Drug Plan.....	7
If You Enroll In A Medicare Drug Plan.....	7
Seniors With Low Incomes	8
To Learn More	11

New Medicare Drug Benefit – What Is It?

Health care is a large expense for Americans – especially senior citizens. And, prescription drugs represent most of these costs. That's why the government passed a new law to create a new Medicare prescription drug benefit. This new, optional, prescription drug benefit goes into effect on January 1, 2006, for people who are eligible for Medicare.

You may have already heard about this new benefit – also known as Medicare Part D – from family members, the media, or health care insurance companies. And, you may be wondering what the new Medicare benefit means to you and the prescription drug coverage you receive from Montgomery College.

This brochure will provide you with information to help you make the right decision about your drug coverage for 2006. Please read this brochure carefully before you make any decisions about the new Medicare prescription drug benefit.

A Review Of Montgomery College's Retiree Prescription Drug Coverage

As part of your coverage under Montgomery College retiree medical benefits, you receive benefits for prescription drugs. The amount of the benefits depends on the plan you elected. Below is a summary of these benefits. (This is a general overview of Montgomery College's current retiree drug benefits. Please refer to your summary plan description for specific information and definitions.)

Montgomery College Retiree Drug Coverage

Monthly Premium

Most retirees pay a modest premium to cover themselves and their eligible dependents for retiree medical coverage, including drug benefits. The amount of the premium depends on the amount of time you worked at Montgomery College before you retired.

Annual Deductible

CIGNA PPO \$150 (retail only)	MAMSI/Optimum Choice None	Kaiser Permanente Medicare Plus None
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Benefits

CIGNA PPO <u>Retail (up to 30-day supply)</u> Generic: \$10 copay Brand Preferred: \$20 copay Brand Non-Preferred: \$40 <u>Mail Order (up to 90-day supply)</u> Generic: \$20 copay Brand Preferred: \$40 copay Brand Non-Preferred: \$80	MAMSI/Optimum Choice <u>Retail or Mail Order</u> Generic: \$10 copay Brand Preferred: \$20 copay Brand Non-Preferred: \$35	Kaiser Permanente Medicare Plus <u>In-House Kaiser Pharmacies:</u> \$5 copay <u>Participating Pharmacies:</u> \$10 <u>Mail Order (up to 90-day supply)</u> \$3
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Attention Kaiser Permanente Participants!

Beginning on January 1, 2006, the Kaiser Permanente medical benefit plan will have a new name, **Medicare Plus**, and will include Medicare prescription drug benefits as part of this coverage. As a result, participants in Kaiser Permanente who enroll in a Medicare drug plan that is separate from Kaiser Permanente will **lose coverage under Kaiser**. This includes both medical and drug benefits. You will receive information about this and any changes to benefits from Kaiser Permanente. If you have questions, please call the member services number on your medical ID card.

About The New Medicare Drug Benefit

The chart below shows how the *standard* Medicare drug benefit works. The benefits offered by the Medicare drug plans in your area may be somewhat different than what's shown here, but the minimum value of the standard Medicare drug benefit will be the same no matter where you live.

Standard Medicare Drug Benefit
<i>Monthly Premium</i> Approximately \$32, but may vary by region and plan
<i>Annual Deductible</i> \$250
<i>Benefits</i> After deductible, Plan pays 75% of next \$2,000 Next \$2,850: No coverage, Plan pays 0% \$5,100 and Over: Plan pays 95% for rest of the year

For some seniors, Medicare may be the only source of prescription drug coverage, and therefore, it provides a much needed benefit. However, there are a lot of other seniors, such as Montgomery College retirees, who already have drug coverage through their former employer.

Medicare Drug Plan Premiums

If you enroll in a Medicare drug plan, you will be required to pay a premium for you and each dependent you enroll. The premium is estimated to be about \$32 per month in 2006 and may increase each year. This is in addition to any Medicare Part B premium you pay.

Which Drug Coverage Is Best For You: Montgomery College or Medicare?

You will need to decide which drug plan offers you the better benefit: Montgomery College or Medicare?

While Montgomery College can't tell you which plan is best for you, we believe you will receive better value from our plan because most of our retirees will pay less in out-of-pocket costs with Montgomery College retiree drug coverage.

If you agree that Montgomery College's retiree drug coverage provides you with a more valuable benefit than the new Medicare drug benefit, you do not need to do anything. Your Montgomery College drug coverage will continue as before.

IMPORTANT: If you decide to enroll in a Medicare drug plan...

Prescription coverage for you and your eligible dependents under your Montgomery College medical benefits plan will end (applies to participants in the CIGNA and MAMSI/Optimum Choice plans).

If you participate in Kaiser Permanente (which will be known as Kaiser Permanente Medicare Plus starting in 2006), you will automatically receive prescription drug benefits through an arrangement between Kaiser and Medicare. If you enroll in a separate Medicare drug plan, you will lose both medical and drug coverage under Kaiser Permanente.

Comparing Drug Coverage: Montgomery College or Medicare

If You Do NOT Enroll In A Medicare Drug Plan

If you continue your participation in Montgomery College's retiree medical plan and do not enroll in a Medicare drug plan, your prescription drug claims will be paid the same as they are now.

If You Enroll In A Medicare Drug Plan

If you elect to purchase drug coverage through Medicare, beginning on January 1, 2006, participants in the CIGNA and MAMSI/Optimum Choice plans will lose prescription drug coverage under your Montgomery College medical plan.

Participants in the Kaiser Permanente medical plan will receive Medicare drug coverage as part of your benefits. **If you enroll in a separate Medicare drug plan outside of Kaiser, your Kaiser drug and medical coverage will be terminated.**

Before enrolling in a Medicare drug plan, please take the time to review your options carefully since your decision will change your prescription drug benefits.

If you find that you are not satisfied with the coverage and cost of the Medicare drug plan you've elected, you may restore Montgomery College prescription drug benefits at any time. However, you must provide proof of your coverage under a Medicare drug plan before your prescription drug benefits will be restored. Also, you may wish to dis-enroll from the Medicare drug plan. However, after May 15, 2006, your enrollment in a Medicare drug plan is generally for the rest of the calendar year, unless there are special circumstances, such as your moving out of the Medicare drug plan service area.

Medicare May Not Cover Your Medications

The Medicare drug plans will pay benefits for drugs according to their “formulary” or preferred drug list. The drug plan’s list of preferred drugs may be different from the preferred drug lists used by the companies that administer the College’s medical and drug benefits. It’s a good idea to compare the drugs you take against the preferred list of any Medicare drug plan you are considering to be sure these drugs are covered.

Seniors With Low Incomes

The federal government will offer low-income individuals extra help with their prescription drug costs. You may qualify for this help if your annual income is less than \$11,300 per year for singles or \$23,000 per year for married couples living together. To find out if you qualify for extra financial help, complete the *Application for Help with Medicare Prescription Drug Plan Costs*, available from the Social Security Administration (1-800-772-1213). You may apply online via www.socialsecurity.gov. There is no cost or penalty for completing the application, even if you do not qualify for low-income assistance.

Once you have determined what, if any, financial aid you may be eligible to receive from the government, carefully decide the best choice for you. It is possible that with the government’s extra help, you could receive a higher level of benefits and pay less for your medicines with Medicare.

There is no cost or penalty for completing the application, even if you do not qualify for low-income assistance.

Key Points To Think About

1. Montgomery College has determined that the prescription drug coverage they offer to retirees is as good or better than the standard Medicare drug benefit. While each retiree must make the decision that is best for them, Montgomery College believes their drug benefit provides most retirees with better value than the new Medicare drug benefits.
2. If you enroll in a Medicare drug plan, you will lose prescription drug coverage under your Montgomery College medical plan that is administered through CIGNA or MAMSI/Optimum Choice. You may restore your Montgomery College prescription drug coverage by providing proof of your coverage under a Medicare drug plan to Montgomery College. You may wish to dis-enroll in the Medicare drug plan during the next enrollment period (November 15 – December 31, 2006).
3. On January 1, 2006, Kaiser Permanente will provide drug benefits through an arrangement with Medicare. Participants in the Kaiser Permanente medical plan who enroll in a separate Medicare drug plan will no longer be eligible for medical and drug benefits through Kaiser Permanente.
4. Because the Montgomery College plans offer drug coverage that is as good or better than the standard Medicare drug coverage, you will not incur a late enrollment penalty if you choose not to enroll in a Medicare drug plan at this time.
5. A Medicare drug plan will require you to pay a separate monthly premium that is expected to run about \$32 per enrolled person. This premium could be higher or lower, depending on where you live and the level of benefits you select. By comparison, Montgomery College retirees and dependents pay a service-based premium that includes both medical and prescription benefits.
6. Each Medicare drug plan has its own preferred drug list that determines the drugs it will cover. The drugs on a Medicare

drug plan preferred list could be different from those that are covered by Montgomery College. Be sure to check the preferred list of any Medicare drug plan carefully before you enroll.

To Learn More

If you have questions, please contact one of these resources:

Questions About Montgomery College's Retiree Medical Benefits	Questions About Medicare
Office of Human Resources Karen Bass 301-279-5359 Sue Redding 301-279-5354 Carrie Garvin 301-279-5369	<i>Social Security Administration</i> 1-800-772-1213 (TTY: 1-800-325-0778) www.ssa.gov
	<i>Medicare</i> 1-800-MEDICARE (1-800-633-4227) www.medicare.gov

This brochure is intended to provide an overview of the retiree prescription drug coverage offered through Montgomery College. The information in this brochure or that is told to you orally does not replace or override the official plan documents. Please refer to Montgomery College's official plan documents for complete information about the benefits provided under this plan.

For official information about any and all Medicare benefits, contact Medicare.