

CalPERS FAQs

Medicare Part D Prescription Drug Plan

DEFINITION

Blue Shield and CVS Caremark are administering the Medicare Part D Prescription Drug Plan (PDP) for CalPERS effective January 1, 2013. These plans are Employer Group Waiver Plans (EGWP) governed by the Centers for Medicare and Medicaid Services (CMS).

Blue Shield calls their plan “Blue Shield of California Medicare Rx Plan (PDP)” CVS Caremark calls their plan “Medicare Part D Prescription Drug Plan”.

For the purpose of these FAQ’s both plans will be collectively called the “Medicare Part D Prescription Drug Plan”.

BACKGROUND

Blue Shield of California and CVS Caremark sent “Opt-out” letters to Medicare-eligible members in early September 2012.

Q. Why did I receive this Opt Out letter?

A. CalPERS is converting from the Medicare Part D Retiree Drug Subsidy Program (RDS) to a Medicare Part D Prescription Drug Plan (PDP) for Medicare-eligible members. The Centers for Medicare and Medicaid Services (CMS) requires that the Health Plans offer members a choice to opt out of the Medicare Part D Prescription Drug Plan. This opt-out provision was not a requirement under the Medicare Part D Retiree Drug Subsidy Program. Members should take no action to opt out if the member wants to retain their CalPERS Medicare health and prescription drug coverage.

Q. Who will receive this Opt Out letter?

A. Medicare-eligible subscribers and dependents.

Q. Why is CalPERS converting from the Medicare Part D Retiree Drug Subsidy program to the Medicare Part D Prescription Drug Plan?

A. To provide cost savings to our subscribers through lower premiums.

Q. Why must a subscriber receive a choice to opt-out?

A. The Centers for Medicare and Medicaid Services (CMS) requires that the Health Plans offer members a choice to opt out of the Medicare Part D Prescription Drug Plan. This opt-out provision was not a requirement under the Medicare Part D Retiree Drug Subsidy Program. Members should take no action to opt out if the member wants to retain their CalPERS Medicare health and prescription drug coverage.

Q. Why is CalPERS doing this now?

A. The Patient Protection and Affordable Care Act (Healthcare Reform) provides greater reimbursements through the Medicare Part D Prescription Drug Plan. CalPERS was able to pass the cost savings on to our subscribers through lower premiums.

Q. Do I have to enroll myself for the Medicare Part D Prescription Drug Plan?

A. No, the Health Plan will automatically enroll those who are currently in a CalPERS Medicare Health benefit plan.

Q. Do I have to assign all my Medicare benefits to my Health Plan if I enroll in the Medicare Part D Prescription Drug Plan?

A. No. Your medical benefits will remain the same. This conversion is only for Supplement to Original Medicare plans. Medicare Advantage plans, such as Kaiser Permanente Senior Advantage and Blue Shield of California 65 Plus will not be affected.

Q. Why do I have two (2) Evidence of Coverage (EOC) booklets?

A. Blue Shield Medicare members:

1. One EOC is for medical benefits; and
2. One EOC is for your prescription drug benefits.

CVS Caremark Medicare members:

1. One EOC is from Anthem Blue Cross for your medical benefits; and
2. One EOC is from CVS Caremark for your prescription drug benefits.

PHONE LINES

Q. What are the phone numbers to call for more information?

A. Blue Shield Member Services = (888) 239-6469; TTY (888) 239-6482 7:00 am to 8:00 pm, Monday through Friday.

CVS Caremark Member Services = (855) 479-3660; TTY (866) 236-1069 24 hours, seven days a week

ENROLLMENT

Q. Do I have to convert over to this new Medicare Part D Prescription Drug Plan?

A. Yes, if you want to keep your prescription drug coverage through your CalPERS health plan. The old Medicare Part D Retiree Drug Subsidy prescription drug coverage will no longer be available as of January 1, 2013. If you opt out of the Medicare Part D Prescription Drug Plan, you will have to pay the full price for prescription drugs out of your own pocket.

Q. I have a P.O. Box, but not a street address; can I use my P.O. Box?

A. The Centers for Medicare and Medicaid Services (CMS) requires that CalPERS have a physical street address on file for each member. If you reside in an area with a rural route address only, we can submit the information to CMS for validation. CalPERS, CVS Caremark, and Blue Shield of California can also keep your P.O. Box on file for mailing purposes only.

ENROLLMENT OPT OUT

Q. If I opt out, can I go on another Medicare Part D Prescription Plan outside of CalPERS?

A. No, your CalPERS health plan will be cancelled if you opt out of the CalPERS Medicare Part D Prescription Drug Plan and enroll into another non-CalPERS Medicare Part D plan (Government Code 22844(b))

Q. How will CalPERS know that I have enrolled into another Medicare Part D Prescription Drug Plan?

A. CMS will notify CalPERS of enrollment activities.

Q. Will I have a lower health premium if I opt out?

A. No, it will not be lowered.

Q. How much will this change cost subscribers?

A. This change saves subscribers money. The 2013 Supplement to Medicare plan premiums are 14% - 22% lower than 2012 rates because of this program. The co-pay and co-insurance structure will not change.

Q. Can I opt back in the plan after opting out?

A. Yes, if you do so before the enrollment date of January 1, 2013.

Q. If I opt out, can I get coverage for hospitalization, my doctor and other services such as lab or physical therapy without enrolling in CalPERS Medicare Part D Prescription Drug Plan?

A. Yes, if you do not enroll in a non-CalPERS Prescription Drug Plan. If you opt out of the Medicare Part D Prescription Drug Plan and enroll into another non-CalPERS Medicare Part D program offered elsewhere, your medical coverage from CalPERS will be cancelled. (Government Code 22844(b))

BILLING

Q. Will the Medicare Part D Prescription Drug Plan cost me anything?

A. This change saves subscribers money. The 2013 Supplement to Medicare plan premiums are 14% - 22% lower than 2012 rates because of this program. The co-pay and co-insurance structure will not change.

Q. Will CalPERS reimburse me for my out of pocket Medicare Part D drug costs?

A. No, CalPERS does not have the legal authority to reimburse for any Medicare Part D drug costs.

Q. Will I continue to be reimbursed for Medicare Part B premium?

A. The change to the Medicare Part D Prescription Drug Plan will not have an impact for reimbursements associated with Medicare Part B.

ID CARDS

Q. How many ID cards will CalPERS member receive?

A. PERS Select/Choice/Care Supplement to Medicare members will have two (2) ID cards:

1. One ID card from Anthem Blue Cross for medical benefits; and
2. One ID card from CVS Caremark for prescription drug benefits.

Blue Shield Supplement to Medicare members will have two (2) ID cards:

1. One ID card from Blue Shield for medical benefits; and
2. One ID card from Blue Shield for prescription drug benefits.

BENEFIT

Q. Is this new Medicare Part D Prescription Drug Plan similar to the old Medicare Part D plan?

A. The Medicare Part D Prescription Drug Plan for 2013 will be very similar to the 2012 Medicare Part D prescription benefit. In some instances, members may receive enhanced drug coverage. For questions regarding your prescription drug coverage, please call:

Blue Shield Member Services = (888) 239-6469; TTY (888) 239-6482 7:00 am to 8:00 pm, Monday through Friday

CVS Caremark Member Services = (855) 479-3660; TTY (866) 236-1069 24 hours, seven days a week

Q. Will this change their medical plan?

A. No, this only pertains to Medicare Part D Prescription Drug coverage.

Q. Will the current co-pay / co-insurance structure remains the same for 2013?

A. Yes, co-pay/co-insurance structure will not change. For more information call:

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Q. What is the Maximum Out of Pocket (MOOP) for the 2013 benefit?

A. Please refer to the Medicare Part D Prescription Drug Evidence of Coverage (EOC) booklet or call:

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Q. Is the reimbursement for out-of-network pharmacies the same as in-network pharmacies?

A. Please refer to the Medicare Part D Prescription Drug Evidence of Coverage (EOC) booklet or call:

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FORMULARY

Q. Where can I find the CalPERS Medicare Part D Prescription Drug Plan formulary?

A. Please refer to the Medicare Part D Prescription Drug Evidence of Coverage (EOC) booklet or call:

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Q. Will I now have access to the Federal Medicare Formulary?

A. No, however, the Medicare Part D Prescription Drug Plan formularies meet Medicare requirements and are CMS approved.

PRESCRIPTIONS

Q. Will my current mail order prescriptions transfer to my new plan? Or will I need to get a new prescription on January 1, 2013?

A. Most mail order prescriptions (with available refills) will be transferred to the member's new plan/account. Controlled substances and medications cannot be transferred. These will require new prescriptions. For more information call:

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Q. Will I have to change all the approvals for brand name drugs that I just gained?

A. No, brand name drugs that are already authorized under the CalPERS medically necessary waiver program will remain in effect.