

MedicareBlueSM Solutions

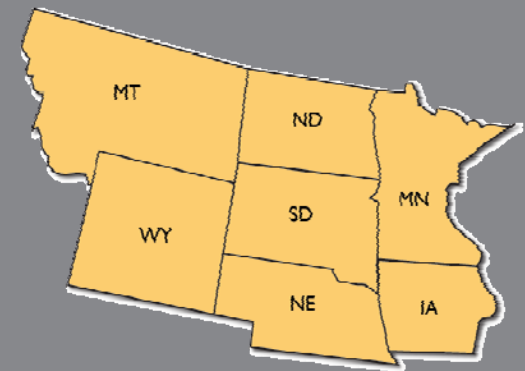


Blue Cross and Blue Shield 2015 MedicareBlueSM Rx (PDP) Products

MedicareBlue Rx



- MedicareBlue Rx is a stand-alone Part D plan with three options (Value Plus, Standard and Premier) that is available to all eligible Medicare beneficiaries who:
 - Permanently reside in the 7-state region; and
 - Are entitled to Medicare Part A and/or enrolled in Medicare Part B
 - Wellmark Blue Cross and Blue Shield of Iowa*
 - Blue Cross and Blue Shield of Minnesota*
 - Blue Cross and Blue Shield of Montana*
 - Blue Cross and Blue Shield of Nebraska*
 - Blue Cross Blue Shield of North Dakota*
 - Wellmark Blue Cross and Blue Shield of South Dakota*
 - Blue Cross Blue Shield of Wyoming*



*An independent licensee of the Blue Cross and Blue Shield Association

Course Objectives



- At the end of this course you should be able to:
 - Describe and differentiate between the three MedicareBlue Rx plan options for 2015:
 - MedicareBlue Rx Value Plus
 - MedicareBlue Rx Standard
 - MedicareBlue Rx Premier
 - Explain the differences between the plan's two formularies
 - Explain the MedicareBlue Rx pharmacy network, including preferred and standard cost sharing in the Value Plus plan option

MedicareBlue Rx Stand-alone Prescription Drug Plans



Review the MedicareBlue Rx Summary of Benefits for additional product and plan option details, available at YourMedicareSolutions.com

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MedicareBlue Rx



- 4-Star rated Part D plan in 2014
 - Highest overall quality score of any stand-alone prescription drug plan in the region in 2014
 - Medicare evaluates plans each year based on a 5-Star rating system. Star Ratings are calculated each year and may change from one year to the next.
 - Beneficiaries may be directed to Medicare.gov for more information on Star Ratings
- Annual contract
 - MedicareBlue Rx is a plan with a Medicare contract that is renewed annually with CMS
 - Although coverage may renew each calendar year, MedicareBlue Rx options, benefits, features and premiums are subject to change annually
- In addition to the monthly plan premium, members must also pay their Part B premiums (if enrolled), Part A premium if applicable, and any applicable income-related premium adjustments

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Changes to MedicareBlue Rx in 2015



- New plan option offering
 - Two options in 2014 (Standard and Premier)
 - Three options in 2015 (Value Plus, Standard and Premier)
- Pharmacy Benefit Manager change from PRIME Therapeutics to CVS Caremark*
- Changes in prescription drug cost sharing, premiums and deductibles
- Formulary changes
 - Moving from one formulary to two formularies
 - Change in formulary tier structure from four tiers to five tiers
- Introduction of preferred and standard cost sharing within the pharmacy network (Value Plus plan option)

* CVS Caremark is an independent company providing pharmacy benefit management services

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MedicareBlue Rx Formulary*



- The formulary for the Standard plan is different from the formulary for the Value Plus and Premier plans, but both are divided into five tiers:
 - Tier 1: Preferred Generic drugs
 - Tier 2: Non-Preferred Generic drugs
 - Tier 3: Preferred Brand drugs
 - Tier 4: Non-Preferred Brand drugs
 - Tier 5: Specialty drugs

* Formulary - a list of prescription medications that are approved for coverage by a health plan and that will be dispensed through contracted pharmacies. This list may change during the year, as approved by CMS.

MedicareBlue Rx Formulary Differences



- MedicareBlue Rx Value Plus and MedicareBlue Rx Premier formulary
 - Includes generic drugs in Tiers 1 and 2, brand-name drugs in Tiers 3 and 4 and both generic and brand-name drugs in Tier 5
- MedicareBlue Rx Standard formulary
 - Includes select drugs to treat all types of conditions, but has fewer drugs of each type
 - Includes generic drugs in Tier 1 and both generic and brand-name drugs in Tiers 2 through 5

MedicareBlue Rx Formulary Management



- Certain formulary prescriptions may be subject to limitations including step therapy, quantity limits or prior authorization
 - For additional information, review the MedicareBlue Rx Evidence of Coverage (EOC)
- When working with clients to check coverage of their current drugs, it's important to explain the coverage of or restrictions to a drug they take
 - To get more information and/or check the formularies:
 - Go to **YourMedicareSolutions.com** and choose “Search drug list” then click on “Drug Formulary”
 - Go to **Medicare.gov**, follow the steps to enter the drugs you want to look at and then click on the plan name
 - Look in the plan’s printed formulary booklets
 - Contact Customer Service

Part D Prescription Drug Exclusions



- Medicare Part D “Excluded Drugs” (as defined by statute):
 - Are not included in the formulary
 - Are not covered by MedicareBlue Rx
 - Are not eligible for exception requests
 - Are not included when calculating a member’s “True Out-of-Pocket” (TrOOP) costs for catastrophic coverage benefits
- Prescriptions purchased outside the United States:
 - Are not covered by any Part D plan
 - Are not included when calculating a member’s “True Out-of-Pocket” (TrOOP) costs for catastrophic coverage benefits

2015 MedicareBlue Rx Options



- 2015 MedicareBlue Rx options:
 - MedicareBlue Rx Value Plus – Includes a deductible, fixed copays on Tiers 1, 2, 3 and coinsurance on Tiers 4 and 5, network includes pharmacies that offer preferred cost sharing and pharmacies that offer standard cost sharing
 - MedicareBlue Rx Standard – Includes a deductible, fixed copays on Tiers 1, 2, 3 and 4 & coinsurance on Tier 5
 - MedicareBlue Rx Premier – No deductible, fixed copays on Tiers 1, 2 and 3 & coinsurance on Tiers 4 and 5, and fixed copays on Tier 1 Preferred Generic drugs, Tier 2 Non-Preferred Generic drugs and select Tier 3 Preferred Brand drugs during the coverage gap
- The tables on the next several slides show a comparison of 2015 and 2014 Standard and Premier options followed by a comparison of all three 2015 options

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MedicareBlue Rx Standard Option Monthly Premium and Yearly Deductible 2015 and 2014 Comparison



MedicareBlue Rx Standard Option	2015	2014
Monthly Premium	\$51.20	\$41.90
Yearly Deductible*	\$320	\$160

*Yearly Deductible = The amount a member is responsible for paying before the initial coverage begins

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MedicareBlue Rx Premier Option Monthly Premium and Yearly Deductible 2015 and 2014 Comparison



MedicareBlue Rx Premier Option	2015	2014
Monthly Premium	\$124.20	\$106.30
Yearly Deductible*	\$0	\$0

*Yearly Deductible = The amount a member is responsible for paying before the initial coverage begins

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MedicareBlue Rx Standard Option Initial Coverage Stage 2015 and 2014 Comparison



MedicareBlue Rx Standard Option	2015	2014
Tier 1: Preferred Generic drugs	\$0 copay	\$4 copay
Tier 2: Non-Preferred Generic drugs	\$6 copay	\$18 copay
Tier 3: Preferred Brand drugs	\$22 copay	\$38 copay
Tier 4: Non-Preferred Brand drugs	\$95 copay	48% coinsurance
Tier 5: Specialty drugs	25% coinsurance	N/A

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MedicareBlue Rx Premier Option Initial Coverage Stage 2015 and 2014 Comparison



MedicareBlue Rx Premier Option	2015	2014
Tier 1: Preferred Generic drugs	\$1 copay	\$3 copay
Tier 2: Non-Preferred Generic drugs	\$3 copay	\$8 copay
Tier 3: Preferred Brand drugs	\$24 copay	\$35 copay
Tier 4: Non-Preferred Brand drugs	50% coinsurance	45% coinsurance
Tier 5: Specialty drugs	33% coinsurance	N/A

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MedicareBlue Rx Coverage Gap 2015 and 2014 Comparison



This table shows the amount a member pays for:

- a 31-day supply after total yearly covered prescription drug costs reach \$2,850* in 2014
- a 30-day supply after total yearly covered prescription drug costs reach \$2,960* in 2015

MedicareBlue Rx Benefits	2015 Standard Option	2014 Standard Option	2015 Premier Option	2014 Premier Option
Coverage Gap	<ul style="list-style-type: none"> • 65% for Generic drugs • 45% on some Brand drugs based on CMS agreement with drug manufacturers 	<ul style="list-style-type: none"> • 72% for Generic drugs • 47.5% on some Brand drugs based on CMS agreement with drug manufacturers 	<ul style="list-style-type: none"> • \$1 copay for Tier 1 Preferred Generic drugs • \$3 copay for Tier 2 Non-Preferred Generic drugs • \$24 copay partial Tier 3 Preferred Brand drugs • 65% for all other Generic drugs • 45% on some Brand drugs based on CMS agreement with drug manufacturers 	<ul style="list-style-type: none"> • \$3 copay for Tier 1 Preferred Generic drugs • \$8 copay for Tier 2 Non-Preferred Generic drugs • 72% for all other Generic drugs • 47.5% on some Brand drugs based on CMS agreement with drug manufacturers

* Amount member has paid for covered drugs plus what the plan has paid for the calendar year. This does not include the premium the member pays.

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MedicareBlue Rx Catastrophic Coverage 2015 and 2014 Comparison



This table shows the amount a member pays for:

- a 31-day supply after \$4,550* out-of-pocket prescription drug costs in 2014
- a 30-day supply after \$4,700* out-of-pocket prescription drug costs in 2015

MedicareBlue Rx Benefits	2015 Standard Option	2014 Standard Option	2015 Premier Option	2014 Premier Option
Catastrophic Coverage	\$2.65 copay for Generic drugs (including brand drugs treated as generic) and \$6.60 copay for all other covered drugs OR 5% coinsurance, whichever is greater	\$2.55 copay for Generic drugs (including brand drugs treated as generic) and \$6.35 copay for all other covered drugs OR 5% coinsurance, whichever is greater	\$2.65 copay for Generic drugs (including brand drugs treated as generic) and \$6.60 copay for all other covered drugs OR 5% coinsurance, whichever is greater	\$2.55 copay for Generic drugs (including brand drugs treated as generic) and \$6.35 copay for all other covered drugs OR 5% coinsurance, whichever is greater

*This is the total amount paid for covered drugs by the member for the calendar year. This does not include the amount the plan has paid or the plan premium paid by the member.

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MedicareBlue Rx

Monthly Premium and Yearly Deductible

2015 Plan Options Comparison



	Value Plus	Standard	Premier
Monthly Premium	\$31.80	\$51.20	\$124.20
Yearly Deductible*	\$160	\$320	\$0

*Yearly Deductible = The amount a member is responsible for paying before the initial coverage begins

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MedicareBlue Rx Initial Coverage Stage 2015 Plan Options Comparison



Note: For the Value Plus plan option, copays/coinsurance are different at pharmacies that offer preferred cost sharing and pharmacies that offer standard cost sharing

30-day retail supply	Value Plus		Standard	Premier
	Preferred Cost Sharing	Standard Cost Sharing		
Tier 1: Preferred Generic drugs	\$0 copay	\$5 copay	\$0 copay	\$1 copay
Tier 2: Non-Preferred Generic drugs	\$6 copay	\$12 copay	\$6 copay	\$3 copay
Tier 3: Preferred Brand drugs	\$35 copay	\$45 copay	\$22 copay	\$24 copay
Tier 4: Non-Preferred Brand drugs	50% coinsurance	50% coinsurance	\$95 copay	50% coinsurance
Tier 5: Specialty drugs	29% coinsurance	29% coinsurance	25% coinsurance	33% coinsurance

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MedicareBlue Rx

Coverage Gap and Catastrophic Coverage

2015 Plan Options Comparison



MedicareBlue Rx Member pays:	Value Plus	Standard	Premier
<p>Coverage Gap The amount a member pays after total yearly covered prescription drug costs reach \$2,960</p>	<ul style="list-style-type: none"> • 65% for Generic drugs • 45% on some Brand drugs based on CMS agreement with drug manufacturers 	<ul style="list-style-type: none"> • 65% for Generic drugs • 45% on some Brand drugs based on CMS agreement with drug manufacturers 	<ul style="list-style-type: none"> • \$1 copay for Tier 1 drugs • \$3 copay for Tier 2 drugs • \$24 copay partial Tier 3 drugs • 65% for all other Generic drugs • 45% on some Brand drugs based on CMS agreement with drug manufacturers
<p>Catastrophic Coverage The amount a member pays after paying \$4,700 in out-of-pocket prescription drug costs</p>	<p>\$2.65 copay for Generic drugs (including brand drugs treated as generic) and \$6.60 copay for all other covered drugs OR 5% coinsurance, whichever is greater</p>	<p>\$2.65 copay for Generic drugs (including brand drugs treated as generic) and \$6.60 copay for all other covered drugs OR 5% coinsurance, whichever is greater</p>	<p>\$2.65 copay for Generic drugs (including brand drugs treated as generic) and \$6.60 copay for all other covered drugs OR 5% coinsurance, whichever is greater</p>

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Low Income Subsidy (LIS) MedicareBlue Rx



- Members eligible for LIS benefits who enroll in MedicareBlue Rx have access to our formulary and pharmacy network
- LIS members may be eligible for reduced premiums, deductibles, coinsurances and/or copays
 - Beneficiaries with limited income and resources are encouraged to contact the following for more information and assistance to determine if they qualify for extra help
 - Contact the local Social Security office or call Social Security at 1-800-772-1213
 - Contact the local Medicaid office
 - Apply online at online at [socialsecurity.gov/prescriptionhelp](https://www.socialsecurity.gov/prescriptionhelp)
 - Call 1-800-Medicare
- See the Prescription Drug Benefit Manual, Chapter 13, for additional information

MedicareBlue Rx Pharmacy Network



- Members must use participating pharmacies in our large, nationwide network to receive in-network MedicareBlue Rx benefits – the network is the same for all three plan options
 - Access to more than 68,000 pharmacies
 - Pre-negotiated reimbursement rates with pharmacy vendors that help keep costs down
 - Electronic claims processing by pharmacy
- Value Plus plan option includes pharmacies that offer preferred cost sharing and pharmacies that offer standard cost sharing within the network (see next slide)
- Access the most current pharmacy directory:
 - Go to **YourMedicareSolutions.com**

Preferred and Standard Cost Sharing (MedicareBlue Rx Value Plus only)



- Value Plus plan option includes pharmacies that offer preferred cost sharing and pharmacies that offer standard cost sharing within the network
 - Pharmacies that offer preferred cost sharing:
 - More than 28,000 nationwide, including pharmacies such as CVS/pharmacy, Wal-Mart, White Drug and Hy-Vee
 - Pharmacies that offer standard cost sharing:
 - All other network pharmacies
- Members will often pay less for prescription drugs at pharmacies that offer preferred cost sharing
- Members can go to pharmacies that offer standard cost sharing – which are still network pharmacies – but they will often pay more

Using Out-of-Network Pharmacies



- Out-of-network doesn't necessarily mean out-of-state since the MedicareBlue Rx pharmacy network is national
- In the rare circumstance when a network pharmacy is not accessible, an out-of-network pharmacy can be used (U.S. only), but the member will be responsible for:
 - Paying full retail cost of the prescription at the time of purchase
 - Member will only be allowed to purchase a 30-day supply
 - Submitting the claim for reimbursement
 - Paying all applicable deductibles, coinsurance and co-payments, plus any charges over the negotiated reimbursement rate with in-network pharmacies

MedicareBlue Rx Additional Cost Savings



- Members may wish to consider purchasing a 90-day supply to take advantage of additional cost savings in the following ways:
 - From an in-network extended day supply pharmacy (identified by EDS in the pharmacy directory) OR
 - Through the plan's mail order pharmacy: CVS Caremark* Mail Service Pharmacy
- The cost through one of these methods for Value Plus, Standard and Premier members is two times the 30-day copay amount or the usual coinsurance
- These prescriptions are subject to formulary limitations as outlined earlier in this presentation

* CVS Caremark is an independent company providing pharmacy benefit management services

Other Prescription Drug Coverage



- Beneficiaries with Veterans Affairs (VA) prescription drug benefits, or those enrolled in prescription drug coverage through an employer or union group plan should review their options carefully
 - Drugs covered by the VA are not eligible for additional coverage under Medicare Part D plans
 - Group members need to determine whether their current coverage is creditable (employers are required to provide this notification) and whether enrollment into a Part D plan will negatively impact their group benefits
- Beneficiaries with other prescription drug benefits should be encouraged to talk with their plan administrator before making a Part D enrollment decision

Creditable Prescription Drug Coverage



- Creditable prescription coverage is that which is identified as at least as good as, or better than, standard Part D benefits
- VA and employer or union group benefits are usually creditable
- Go to **Medicare.gov** for more information on creditable coverage

Late Enrollment Penalty (LEP) Medicare Part D Plan



- Beneficiaries without creditable coverage who do not enroll in Medicare Part D when first eligible may be subject to a Late Enrollment Penalty (LEP) charge
 - LEP is 1% for each month without creditable coverage and is based on the national premium average at the time of enrollment
 - In general, the penalty is in effect as long as the beneficiary has Medicare prescription drug coverage
 - CMS will determine the penalty during the approval process and will notify MedicareBlue Rx of the penalty amount to be applied to the premium
 - Penalty will not apply for individuals with creditable coverage or members who are eligible for LIS
- Additional information about LEP is described in Chapter 4 of the Prescription Drug Benefit Manual

Features of MedicareBlue Rx



- Medication Therapy Management (MTM)
 - CMS requires plans to provide clinical management of prescriptions for populations with multiple chronic disease states at no additional cost to the member
 - Program components are designed to optimize therapeutic outcomes for targeted beneficiaries
 - Members must meet the CMS eligibility for MTM
 - Members who are eligible for this free program will be automatically enrolled, unless they opt out
 - CVS Caremark* has a team of pharmacists dedicated to MTM

* CVS Caremark is an independent company providing pharmacy benefit management services.

- For more information go to **[YourMedicareSolutions.com](https://www.YourMedicareSolutions.com)**

Features of MedicareBlue Rx



- Various discounts give members ways to stretch their health care dollars
 - MedicareBlue Values Program*
 - Provides access to discounts on a variety of products and services such as:
 - Vision exams, eyewear and vision laser surgery
 - Hearing exams and hearing aids
 - CVS** ExtraCare® Health Card
 - Provides 20% discount on CVS-brand health care products purchased at a CVS/pharmacy or online at www.CVS.com

*The products and services described are neither offered nor guaranteed under our contract with the Medicare program. In addition, they are not subject to the Medicare appeals process. Any disputes regarding these products and services may be subject to the Group MedicareBlue Rx grievance process.

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Non-Compliance and Fraud, Waste and Abuse (FWA)



- Since you've completed your compliance and FWA training you should have a good understanding of what non-compliance and FWA are, and how to identify them. And you know that you are expected to report non-compliance and FWA – but how?
- The next slide provides you information on how and where you can report suspected or actual non-compliance and FWA, and how you are protected

Reporting Non-Compliance and FWA



- We all have the right and obligation to report possible non-compliance or FWA
- But don't worry....You are protected!
 - Reports are considered confidential
 - You may remain anonymous
 - Retaliation for filing a report is prohibited when you report a concern in good faith
- Remember, you don't need to determine if an issue is non-compliance or FWA before you report it; just report any issues or concerns to:
 - Our Compliance Officer, Paul Happe, at 651-662-1234, or toll-free 1-888-878-0139, extension 21234
 - Our Compliance Hotline at 1-866-311-4216
 - Your immediate supervisor
 - Your company's Compliance Officer or Compliance Hotline
 - 1-800-MEDICARE; or
 - The Office of the Inspector General Hotline 1-800-447-8477

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Course Summary



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Course Summary

MedicareBlue Rx Product



- MedicareBlue Rx is offered by the regional plans, a group of six Blue Cross and Blue Shield plans across a 7-state region
- Three options - Value Plus, Standard and Premier
- Same 5-tier formulary structure, but two different formularies:
 - One for Standard and one for Value Plus and Premier
- All three plan options have the same nationwide network of more than 68,000 pharmacies
 - Value Plus members often pay less at pharmacies that offer preferred cost sharing
 - Standard and Premier members pay the same amount at any network pharmacy

Course Summary

2015 MedicareBlue Rx

Monthly Premium and Yearly Deductible



	Value Plus	Standard	Premier
Monthly Premium	\$31.80	\$51.20	\$124.20
Yearly Deductible*	\$160	\$320	\$0

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Course Summary

2015 MedicareBlue Rx Initial Coverage Stage



30-day retail supply	Value Plus		Standard	Premier
	Preferred Cost Sharing	Standard Cost Sharing		
Tier 1: Preferred Generic drugs	\$0	\$5	\$0 copay	\$1 copay
Tier 2: Non-Preferred Generic drugs	\$6	\$12	\$6 copay	\$3 copay
Tier 3: Preferred Brand drugs	\$35	\$45	\$22 copay	\$24 copay
Tier 4: Non-Preferred Brand drugs	50% coinsurance	50% coinsurance	\$95 copay	50% coinsurance
Tier 5: Specialty drugs	29% coinsurance	29% coinsurance	25% coinsurance	33% coinsurance

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Course Summary

2015 MedicareBlue Rx

Coverage Gap and Catastrophic Coverage



MedicareBlue Rx Member pays:	Value Plus	Standard	Premier
<p>Coverage Gap The amount a member pays after total yearly covered prescription drug costs reach \$2,960</p>	<ul style="list-style-type: none"> • 65% for Generic drugs • 45% on some Brand drugs based on CMS agreement with drug manufacturers 	<ul style="list-style-type: none"> • 65% for Generic drugs • 45% on some Brand drugs based on CMS agreement with drug manufacturers 	<ul style="list-style-type: none"> • \$1 copay for Tier 1 drugs • \$3 copay for Tier 2 drugs • \$24 copay for partial Tier 3 drugs • 65% for all other Generic drugs • 45% on some Brand drugs based on CMS agreement with drug manufacturers
<p>Catastrophic Coverage The amount a member pays after paying \$4,700 in out-of-pocket prescription drug costs</p>	<p>\$2.65 copay for Generic drugs (including brand drugs treated as generic) and \$6.60 copay for all other covered drugs OR 5% coinsurance, whichever is greater</p>	<p>\$2.65 copay for Generic drugs (including brand drugs treated as generic) and \$6.60 copay for all other covered drugs OR 5% coinsurance, whichever is greater</p>	<p>\$2.65 copay for Generic drugs (including brand drugs treated as generic) and \$6.60 copay for all other covered drugs OR 5% coinsurance, whichever is greater</p>

Course Summary

MedicareBlue Rx



- MedicareBlue Rx may not be suitable for individuals enrolled in employer or union group benefits or other types of creditable prescription drug coverage
 - Beneficiaries should be encouraged to evaluate their current coverage to make an appropriate enrollment decision

Course Summary

LIS and LEP



- Members eligible for Low Income Subsidy (LIS) will have those benefits applied to MedicareBlue Rx prescription drug benefits and premiums
- Members required to pay a Late Enrollment Penalty (LEP) will be notified of the penalty during the approval process
 - The LEP amount assessed by CMS will be added each month to the member's monthly premium

Resources



- Visit YourMedicareSolutions.com
- Visit Medicare.gov
- Link to resources posted on the MedicareBlue Online Training Center
- Refer to plan materials
- Contact your local plan