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Blue Cross and Blue Shield 2017 MedicareBlueSM Rx (PDP) Products



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Learning Objectives

By the end of this course you should be able to:

- Describe and differentiate between the two MedicareBlue Rx plan options for 2017:
 - MedicareBlue Rx Standard
 - MedicareBlue Rx Premier
- Name MedicareBlue Rx's formulary drug tiers and explain how to search the formulary for specific drugs
- Explain the MedicareBlue Rx pharmacy network, including preferred and standard cost sharing that is part of both plan options

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

Meet Paul



He is a Medicare beneficiary who resides permanently in Iowa. He is entitled to Medicare Part A and enrolled in Medicare Part B.

Below is what Paul wants out of his prescription drug coverage:

- Willing to pay a higher premium, but wants a low to zero dollar deductible
- Wants pharmacy to electronically process claims
- Wants a pharmacy network that is available nationwide

Paul and This Course

As you understand Paul's health care needs to find a plan that meets his prescription drug needs, you will also meet the annual training and testing guidelines that CMS establishes. We estimate that this course will take you two hours to complete. However, factors like your pace of reading and prior knowledge of the content affect this estimated completion time.

There is a final exam at the end of the course. According to CMS' guidelines, you need a passing score of 85% to get course credit.





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Should Paul choose MedicareBlue Rx?

MedicareBlue Rx is a Part D Prescription Drug Plan designed to help beneficiaries manage their drug costs.

MedicareBlue Rx offers:

- Protection from unexpected drug costs
- Coverage of preferred and non-preferred generic and brand-name drugs, as well as specialty drugs
- Access to more than 67,000 pharmacies in network
- Discounts on vision exams, eyewear, laser surgery, hearing exams and hearing aids through the MedicareBlue Values program
- Discounts on CVS/Pharmacy-brand health care products with CVS Caremark[†] ExtraCare[®] Health Card

[†] CVS Caremark Part D Services is an independent company providing pharmacy benefit management services.





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MedicareBlue Rx Plan Highlights

- 4-Star rated Part D plan in 2016
 - High overall quality score among stand-alone prescription drug plans in the region
 - MedicareBlue Rx Standard and MedicareBlue Rx Premier are two of six plans with a 4-Star rating; there are no 5-Star prescription drug plans in the region for 2016
 - 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
 - Direct beneficiaries to **Medicare.gov** for more information on Star Ratings
- 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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Formulary

Both plan options share the same formulary* with the following drug tiers:

Tier 1: Preferred Generic drugs – this tier is the lowest tier and includes some preferred brands

Tier 2: Generic drugs – this tier includes generics and some low-cost preferred brands

Tier 3: Preferred Brand drugs – this tier includes preferred brand drugs and non-preferred generic drugs

Tier 4: Non-Preferred drugs – this tier includes non-preferred brand drugs and non-preferred generic drugs

Tier 5: Specialty drugs – this tier includes very high cost brand and some generic drugs, which may require special handling and/or close monitoring

*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 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:

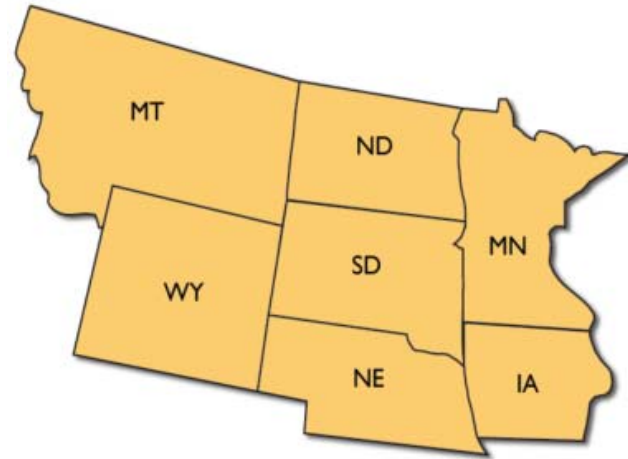
- Go to **YourMedicareSolutions.com** and choose “drug search” then click on the plan name and enter a specific drug
- Go to **Medicare.gov**, follow the steps to enter the drugs you want to look at and then click on the plan name
- Look in the plan’s printed formulary booklets
- Contact Customer Service



Is Paul eligible?

MedicareBlue Rx is a stand-alone Part D plan with two options (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



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What are Paul's options?

2017 MedicareBlue Rx options:

MedicareBlue Rx Standard

- No deductible for Tier 1 Preferred Generic drugs; \$400 deductible for drugs on Tiers 2-5
- Fixed copays on Tiers 1 & 2, and coinsurance on Tiers 3, 4 & 5

MedicareBlue Rx Premier

- No deductible
- Fixed copays on Tiers 1 & 2, and coinsurance on Tiers 3, 4 & 5
- Fixed copays on Tier 1 Preferred Generic drugs and Tier 2 Generic drugs during the coverage gap

For both plan options, network includes pharmacies that offer preferred cost sharing and pharmacies that offer standard cost sharing.



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Changes to MedicareBlue Rx in 2017

- Decrease in premium on Premier plan (no change in premium on Standard plan)
- One shared formulary between the two plan options
- Standard plan option has no deductible for Tier 1 drugs and a \$400 deductible for drugs on Tiers 2-5 (previously \$360 deductible for all tiers)
- Premier plan option has \$0 copay for both Tier 1 and Tier 2 drugs when purchased at a pharmacy that offers preferred cost sharing (previously \$0 copay only for Tier 1)
- Other changes to copay/coinsurance amounts



Part D Prescription Drug Exclusions

Medicare Part D “Excluded Drugs” (as defined by statute) are not

- included in the formulary
- covered by MedicareBlue Rx
- in most cases, eligible for exceptions
- 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
- included when calculating a member’s “True Out-of-Pocket” (TrOOP) costs for catastrophic coverage benefits

MedicareBlue Rx Standard Option Monthly Premium and Yearly Deductible 2017 and 2016 Comparison

MedicareBlue Rx Standard Option	2017	2016
Monthly Premium	\$35.10	\$35.10
Yearly Deductible*	\$0 on Tier 1; \$400 on Tiers 2-5	\$360

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

MedicareBlue Rx Premier Option Monthly Premium and Yearly Deductible 2017 and 2016 Comparison

MedicareBlue Rx Premier Option	2017	2016
Monthly Premium	\$92.00	\$111.20
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 2017 and 2016 Comparison

MedicareBlue Rx Standard Option	2017		2016	
	Preferred Cost Sharing	Standard Cost Sharing	Preferred Cost Sharing	Standard Cost Sharing
Tier 1: Preferred Generic drugs	\$1 copay	\$13 copay	\$0 copay	\$5 copay
Tier 2: Generic drugs	\$6 copay	\$19 copay	\$3 copay	\$10 copay
Tier 3: Preferred Brand drugs	18% coinsurance	25% coinsurance	20% coinsurance	25% coinsurance
Tier 4: Non-Preferred drugs	35% coinsurance	50% coinsurance	45% coinsurance	50% coinsurance
Tier 5: Specialty drugs	25% coinsurance	25% coinsurance	25% coinsurance	25% coinsurance



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MedicareBlue Rx Premier Option Initial Coverage Stage 2017 and 2016 Comparison

MedicareBlue Rx Premier Option	2017		2016	
	Preferred Cost Sharing	Standard Cost Sharing	Preferred Cost Sharing	Standard Cost Sharing
Tier 1: Preferred Generic drugs	\$0 copay	\$15 copay	\$0 copay	\$5 copay
Tier 2: Generic drugs	\$0 copay	\$20 copay	\$2 copay	\$7 copay
Tier 3: Preferred Brand drugs	18% coinsurance	25% coinsurance	20% coinsurance	25% coinsurance
Tier 4: Non-Preferred drugs	45% coinsurance	50% coinsurance	45% coinsurance	50% coinsurance
Tier 5: Specialty drugs	33% coinsurance	33% coinsurance	33% coinsurance	33% coinsurance

MedicareBlue Rx Coverage Gap 2017 and 2016 Comparison

This table shows the amount a member pays for:

- a 30-day supply after total yearly covered prescription drug costs reach \$3,310* in 2016
- a 30-day supply after total yearly covered prescription drug costs reach \$3,700* in 2017

*Amount member has paid for covered drugs plus what the plan has paid for the calendar year.

This does not include the premiums the member pays.

MedicareBlue Rx Benefits	2017 Standard Option	2016 Standard Option	2017 Premier Option	2016 Premier Option
Coverage Gap	<ul style="list-style-type: none"> • 51% for Generic drugs • 40% on some Brand drugs based on CMS agreement with drug manufacturers 	<ul style="list-style-type: none"> • 58% for Generic drugs • 45% on some Brand drugs based on CMS agreement with drug manufacturers 	<ul style="list-style-type: none"> • \$0/\$15 copay for Tier 1 Preferred Generic drugs • \$0/\$20 copay for Tier 2 Generic drugs • 51% for all other Generic drugs • 40% on some Brand drugs based on CMS agreement with drug manufacturers 	<ul style="list-style-type: none"> • \$0/\$5 copay for Tier 1 Preferred Generic drugs • \$2/\$7 copay for Tier 2 Generic drugs • 58% for all other Generic drugs • 45% on some Brand drugs based on CMS agreement with drug manufacturers

MedicareBlue Rx Catastrophic Coverage 2017 and 2016 Comparison

This table shows the amount a member pays for:

- a 30-day supply after \$4,850* out-of-pocket prescription drug costs in 2016
- a 30-day supply after \$4,950* out-of-pocket prescription drug costs in 2017

*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 premiums paid by the member.

MedicareBlue Rx Benefits	2017 Standard Option	2016 Standard Option	2017 Premier Option	2016 Premier Option
Catastrophic Coverage	\$3.30 copay for Generic drugs (including brand drugs treated as generic) and \$8.25 copay for all other covered drugs OR 5% coinsurance, whichever is greater	\$2.95 copay for Generic drugs (including brand drugs treated as generic) and \$7.40 copay for all other covered drugs OR 5% coinsurance, whichever is greater	\$3.30 copay for Generic drugs (including brand drugs treated as generic) and \$8.25 copay for all other covered drugs OR 5% coinsurance, whichever is greater	\$2.95 copay for Generic drugs (including brand drugs treated as generic) and \$7.40 copay for all other covered drugs OR 5% coinsurance, whichever is greater

MedicareBlue Rx Monthly Premium and Yearly Deductible 2017 Plan Options Comparison

	Standard	Premier
Monthly Premium	\$35.10	\$92.00
Yearly Deductible*	\$0 on Tier 1; \$400 on Tiers 2-5	\$0

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

MedicareBlue Rx Initial Coverage Stage 2017 Plan Options Comparison

Note: Copays/coinsurance are different at pharmacies that offer preferred cost sharing and pharmacies that offer standard cost sharing

30-day retail supply	Standard		Premier	
	Preferred Cost Sharing	Standard Cost Sharing	Preferred Cost Sharing	Standard Cost Sharing
Tier 1: Preferred Generic drugs	\$1 copay	\$13 copay	\$0 copay	\$15 copay
Tier 2: Generic drugs	\$6 copay	\$19 copay	\$0 copay	\$20 copay
Tier 3: Preferred Brand drugs	18% coinsurance	25% coinsurance	18% coinsurance	25% coinsurance
Tier 4: Non-Preferred drugs	35% coinsurance	50% coinsurance	45% coinsurance	50% coinsurance
Tier 5: Specialty drugs	25% coinsurance	25% coinsurance	33% coinsurance	33% coinsurance

MedicareBlue Rx Coverage Gap and Catastrophic Coverage 2017 Plan Options Comparison

MedicareBlue Rx Member pays:	Standard	Premier
<p>Coverage Gap The amount a member pays after paying \$3,700 in out-of-pocket prescription drug costs</p>	<ul style="list-style-type: none"> • 51% for Generic drugs • 40% on some Brand drugs based on CMS agreement with drug manufacturers 	<ul style="list-style-type: none"> • \$0/\$15 copay for Tier 1 drugs • \$0/\$20 copay for Tier 2 drugs • 51% for all other Generic drugs • 40% on some Brand drugs based on CMS agreement with drug manufacturers
<p>Catastrophic Coverage The amount a member pays after total yearly covered prescription drug costs reach \$4,950</p>	<p>\$3.30 copay for Generic drugs (including brand drugs treated as generic) and \$8.25 copay for all other covered drugs OR 5% coinsurance, whichever is greater</p>	<p>\$3.30 copay for Generic drugs (including brand drugs treated as generic) and \$8.25 copay for all other covered drugs OR 5% coinsurance, whichever is greater</p>

What if Paul is eligible for Low Income Subsidy (LIS) Benefits?

Then, if he enrolled in MedicareBlue Rx, he would have access to the plan's formulary and pharmacy network. He may also be eligible for reduced premiums, deductibles, coinsurance 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 **[socialsecurity.gov/prescriptionhelp](https://www.socialsecurity.gov/prescriptionhelp)**
- Call **1-800-Medicare**

See the Prescription Drug Benefit Manual, Chapter 13, for additional information



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Pharmacy Networks

Members must use participating pharmacies in our large, nationwide network to receive in-network MedicareBlue Rx benefits. The network is the same for both plan options

- Access to more than 67,000 pharmacies
 - Pre-negotiated reimbursement rates with pharmacy vendor that help keep costs down
 - Electronic claims processing by pharmacy
- Both plan options include 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 at **YourMedicareSolutions.com**

Preferred and Standard Cost Sharing

Standard and Premier plan options include the following pharmacies within the network:

Pharmacies that offer preferred cost sharing

→ More than 36,000 nationwide, including pharmacies such as CVS/pharmacy (including former Target pharmacies), Wal-Mart, White Drug, Shopko, and Hy-Vee

→ Members will often pay less for prescription drugs at these pharmacies

Pharmacies that offer standard cost sharing

→ All other network pharmacies

→ Members can go to these pharmacies, which are still network pharmacies, but they will often pay more



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What if Paul travels outside of Iowa and has to visit a pharmacy?

It depends where he is when he needs a pharmacy. With a nationwide network that includes over 67,000 in-network pharmacies, Paul will most likely be able to locate an in-network pharmacy even when he is out-of-state.

However, in the rare circumstance when Paul doesn't have access to a network pharmacy, he can use an **out-of-network pharmacy** (only within the U.S.) but he will be responsible for:

- Paying full retail cost of the prescription at the time of purchase (allowed to purchase only a 30-day supply)
- Submitting the claim for reimbursement
- Paying all applicable deductibles, coinsurance and copayments, plus any charges over the negotiated reimbursement rate with in-network pharmacies



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Features of MedicareBlue Rx

There are additional cost savings that Paul can benefit from if he enrolls in MedicareBlue Rx.

90-Day Supply

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 Order Pharmacy.

The cost through one of these methods for both 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.

[†]CVS Caremark Part D Services is an independent company providing pharmacy benefit management services.

Features of MedicareBlue Rx

The plan also offers various discounts that 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 CVS.com

"Value-added items and services (VAIS) are items and services that are not plan benefits, are not part of the Plans'/Part D Sponsor's benefit package and may not be marketed to prospective enrollees, or used as an inducement or incentive for enrollment. VAIS are non-Medicare covered services or items, typically discounts, offered by a VAIS provider to the enrollees of an MA plan. NOTE: VAIS information cannot be included in or bound with materials intended for prospective enrollees, or posted on parts of the website directed at prospective enrollees." MMG Appendix 1: Definitions

*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 MedicareBlue Rx grievance process.

†CVS Caremark Part D Services is an independent company providing pharmacy benefit management services.



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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 Part D Services is an independent company providing pharmacy benefit management services.

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

What other information should Paul know?

Other 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.

- 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 in 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

What if Paul didn't enroll for Medicare Part D when he was first eligible?

Other Prescription Drug Coverage

CMS will determine the penalty during the enrollment 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.

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.



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Course Summary

- Changes to MedicareBlue Rx in 2017:
 - Decrease in premium for MedicareBlue Rx Premier and no change in premium for MedicareBlue Rx Standard
 - One shared formulary between the two plan options
 - Standard plan has \$0 deductible for Tier 1; \$400 deductible for Tiers 2-5
 - Premier plan has \$0 copay for Tier 1 and Tier 2 drugs at pharmacies that offer preferred cost sharing
 - Other changes to copay/coinsurance amounts
- The shared formulary is divided into five tiers.
- MedicareBlue Rx may not be suitable for individuals enrolled in employer or union group benefits or other types of creditable prescription drug coverage.
- 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.



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Resources

- Visit [YourMedicareSolutions.com](https://www.yourmedicare.com)
- Visit [Medicare.gov](https://www.Medicare.gov)
- Link to resources posted on the MedicareBlue Online Training Center
- Refer to plan materials
- Contact your local plan





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

You've likely completed compliance and FWA training, so should have a good understanding of what these issues are and how to identify them. You know that you're expected to report non-compliance and FWA, but how? 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 any of the following:

Your
immediate
supervisor

Compliance
Hotline
1-866-311-4216

Paul Happe
Compliance Officer
651-662-1234
or toll-free
1-888-878-0139,
extension 21234

1-800-MEDICARE

The Office of the
Inspector General
Hotline
1-800-447-8477



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

We all have the right and obligation to report possible non-compliance or FWA, but don't worry!

- Reports are considered confidential
- You may remain anonymous
- Retaliation for filing a report is prohibited when you report a concern in good faith

Thank you!

You have completed this module.
Please close your browser window to exit out of this module.

