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STATE OF NEW HAMPSHIRE

Department of Administrative Services
RISK MANAGEMENT UNIT
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CATHERINE A. KEANE
 Director
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November 12, 2015

**Subject: Changes to the State of NH Retiree Prescription Drug Benefits Effective 1/1/2016
 For Medicare Eligible (Over 65) Retirees**

Dear State of NH Retiree Health Benefit Plan Member:

The purpose of this letter is to inform you about changes to your State of NH Retiree Health Benefit Plan. As you may know, retiree health benefits are limited to the funding level appropriated in the State of New Hampshire operating budget. The rising cost of prescription drugs and recent reduction of a federal subsidy to the State are resulting in a State Retiree Health Benefit budget deficit for fiscal years 2016/2017. Accordingly, in order to keep health care coverage costs within budgeted amounts, it is necessary to make the change below to your Prescription Drug Benefit. No change is being made to your Anthem Medical Benefits.

Prescription Drug Benefits Changes for Medicare Eligible (Over 65) Retirees

Effective January 1, 2016, prescription drug co-pays and out-of-pocket maximum amounts will increase as indicated in the following chart:

	Today			Effective 1/1/2016		
	Generic	Preferred	Non-Preferred	Generic	Preferred	Non-Preferred
Retail Copayments (31-day supply)	\$10	\$20	\$35	\$10	\$25	\$40
Retail Copayments (90-day supply)	\$30	\$60	\$105	\$30	\$75	\$120
Mail Order Copayments (90-day supply)	\$1	\$40	\$70	\$10	\$50	\$80
Maximum Out-of-Pocket (MOOP)	\$500 Individual			\$750 Individual		

For your information, these prescription drug benefit changes will also apply to non-Medicare eligible retirees as well.

November 12, 2015

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Page 2 of 2

We are committed to helping you understand your benefits. Please call Express Scripts Medicare Customer Service at (844) 468-0427 if you have any questions about how these changes will affect you and the opportunities that may be available to you to manage your prescription drug costs as effectively as possible.

We have also enclosed a State of New Hampshire Medicare Part D Plan Benefit Overview for your reference. You can also find this summary as well as additional information about your Retiree Health benefits on the Department of Administrative Services website at http://das.nh.gov/hr/retirement_benefits.html. For questions about enrollment and eligibility, please contact Judy Shevlin at the State of New Hampshire, Division of Personnel at (603) 271-1432 or judy.shevlin@nh.gov.

Sincerely,



Vicki V. Quiram
Commissioner



Catherine A. Keane
Director of Risk and Benefits

Enclosure



State of New Hampshire Medicare Part D Plan

Benefit Overview

Express Scripts Medicare® (PDP) for The State of New Hampshire Retirees

YOUR 2016 PRESCRIPTION DRUG PLAN BENEFIT

The benefit described in this document is your final benefit after combining the standard Medicare Part D benefit with the additional coverage being provided by the State of New Hampshire. The following table provides a summary of your benefit, including final cost-sharing information. This plan provides coverage across all stages of your benefit.

Even though you are only responsible for paying the applicable copayment amounts for each prescription, your total pharmacy cost is being tracked behind the scenes by Medicare. It is possible that your copayment amount will be reduced if you qualify for assistance or reach the Catastrophic Coverage stage before reaching your out-of-pocket maximum of \$750 as outlined below.

<p>Member Out-of-Pocket Maximum</p>	<p>You are only responsible for paying applicable copayments for your medications. The plan you have today has a yearly member out-of-pocket maximum (costs paid by yourself only) of \$750. If your total copayments reach this amount at any point during a calendar year, you will pay \$0 for your covered prescription drugs for the remainder of the plan year. As you move through the Part D stages outlined below, the most you will be subject to paying is the applicable copayments up to the \$750 out-of-pocket maximum.</p>			
<p>Initial Coverage stage</p>	<p>During the Initial Coverage stage, you will pay the applicable copayment amount until you reach the member out-of-pocket maximum of \$750 or until your total yearly drug costs (what you and the plan pay) reach \$3,310, whichever comes first. Remember, the most that will come out of your pocket is \$750 in a calendar year.</p>			
	<p>Tier</p>	<p>Retail One-Month (31-day) Supply</p>	<p>Retail Three-Month (90-day) Supply</p>	<p>Home Delivery Three-Month (90-day) Supply</p>
<p>Tier 1: Generic Drugs</p>	<p>\$10 copayment</p>	<p>\$30 copayment</p>	<p>\$10 copayment</p>	
<p>Tier 2: Preferred Brand Drugs</p>	<p>\$25 copayment</p>	<p>\$75 copayment</p>	<p>\$50 copayment</p>	
<p>Tier 3: Non-Preferred Brand Drugs</p>	<p>\$40 copayment</p>	<p>\$120 copayment</p>	<p>\$80 copayment</p>	
<p>If your doctor prescribes less than a full month's supply of certain drugs, you will pay a daily cost-sharing rate based on the actual number of days of the drug that you receive.</p>				

	<p>You may receive up to a 90-day supply of certain maintenance drugs (medications taken on a long-term basis) by mail through the Express Scripts Home Delivery service. There is no charge for standard shipping.</p> <p>Not all drugs are available at a 90-day supply, and not all retail pharmacies offer a 90-day supply. Please contact Express Scripts Medicare Customer Service at the numbers on the back of this document for more information.</p>
Coverage Gap stage	<p>If you have not met the member out-of-pocket maximum of \$750, but your total yearly drug costs (what you and the plan pay) reach \$3,310, you will continue to pay the applicable copayment amount as outlined in the Initial Coverage stage until your yearly out-of-pocket drug costs reach \$4,850. Remember, the most that will come out of your pocket is \$750 in a calendar year.</p>
Catastrophic Coverage stage	<p>If you have not met your member out-of-pocket maximum of \$750, but your yearly out-of-pocket drug costs exceed \$4,850, you will pay the greater of 5% coinsurance or:</p> <ul style="list-style-type: none"> • a \$2.95 copayment for covered generic drugs (including brand drugs treated as generics), with a maximum not to exceed the standard copayment during the Initial Coverage stage outlined above • a \$7.40 copayment for all other covered drugs, with a maximum not to exceed the standard copayment during the Initial Coverage stage outlined above. <p>At this stage of Part D coverage, you may be paying less than the applicable copayment amount for each of your medications until you reach the \$750 out-of-pocket maximum.</p>

Long-Term Care (LTC) Pharmacy

If you reside in a long-term care facility, you pay the same as at a network retail pharmacy. Long-term care pharmacies must dispense brand-name drugs in amounts less than a 14-day supply at a time. They may also dispense less than a one month's supply of generic drugs at a time.

Out-of-Network Coverage

You must use Express Scripts Medicare network pharmacies to fill your prescriptions. Covered Medicare Part D drugs are available at out-of-network pharmacies only in special circumstances, such as illness while traveling outside of the plan's service area where there is no network pharmacy. You may have to pay additional costs for drugs received at an out-of-network pharmacy. Please contact Express Scripts Medicare Customer Service at the numbers on the back of this document for more details.

IMPORTANT PLAN INFORMATION

- The service area for this plan is all 50 states, the District of Columbia, and Puerto Rico. You must live in one of these areas to participate in this plan. Express Scripts Medicare may reduce the service area and no longer offer services in the area in which you reside.
- You may get your drugs at network retail pharmacies and Express Scripts Home Delivery pharmacy.
- Your plan uses a formulary—a list of covered drugs. Express Scripts Medicare may periodically add or remove drugs, make changes to coverage limitations on certain drugs, or change how

much you pay for a drug. If any formulary change limits your ability to fill a prescription, you will be notified before the change is made.

Please note: The State of New Hampshire determines the copayment amounts you pay for each coverage tier, i.e., Generic, Preferred or Non-Preferred, as outlined under the Initial Coverage stage above. Express Scripts Medicare determines the drugs that are assigned to each coverage tier.

- The plan may require you to first try one drug to treat your condition before it will cover another drug for that condition.
- Your healthcare provider must get prior authorization from Express Scripts Medicare for you for certain drugs.
- If the actual cost of a drug is less than the normal copayment amount for that drug, you will pay the actual cost, not the higher copayment amount.
- If you request an exception for a drug and Express Scripts Medicare approves the exception, you will pay the Non-Preferred Brand Drug cost-share for that drug.
- You must continue to pay your Medicare Part B premium, if not otherwise paid for under Medicaid or by another third party, even if your Medicare Part D plan premium is \$0.

ANSWERS TO FREQUENTLY ASKED QUESTIONS

Who is eligible for this plan?

You are eligible for this plan if you are enrolled in Medicare Parts A and B, live in the plan's service area, and are eligible for benefits from the State of New Hampshire. You can be in only one Medicare prescription drug plan at a time. If you are currently enrolled in a Medicare Advantage (MA) Plan that **includes Medicare prescription drug coverage**, your enrollment in this plan may end that enrollment. In addition, you may not be enrolled in an individual MA Plan—even one without prescription drug coverage—at the same time as this plan.

Important: If you choose a prescription drug plan outside your former employer/retiree group's offering, this decision may impact other benefits, such as retiree medical coverage. Please contact the State of New Hampshire's Division of Personnel for more information before making a decision to leave this plan.

Do I qualify for Extra Help to pay for my prescription drug premiums and costs?

To see if you qualify for Extra Help, call Medicare at 1.800.MEDICARE (1.800.633.4227), 24 hours a day, 7 days a week (TTY users should call 1.877.486.2048); the Social Security Office 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. If you qualify, Medicare will tell the plan how much assistance you will receive, and Express Scripts will send you information on the amount you will pay once you are enrolled in this plan.

Will my income affect my Medicare Part D premium?

Some people may have to pay an extra amount because of their yearly income. If your modified adjusted gross income as reported on your IRS tax return from two years ago (the most recent tax return information provided to Social Security by the IRS) is more than \$85,000 for individuals and married individuals filing separately or \$170,000 for married individuals filing jointly, you'll have to pay extra

for your Medicare prescription drug coverage. This extra amount is called the Part D income-related monthly adjustment amount. If you have to pay an extra amount, Social Security—not your Medicare plan—will send a letter telling you what the extra amount will be and how to pay it. No matter how your plan premium is paid, the extra amount will be withheld from your Social Security or federal Office of Personnel Management benefit check. If your benefit check isn't enough to cover the extra amount, you will get a bill from Medicare. *The extra amount must be paid separately and cannot be paid with your monthly plan premium.* If you have any questions about this extra amount, contact Social Security at 1.800.772.1213 between 7 a.m. and 7 p.m., Monday through Friday. TTY users should call 1.800.325.0778.

Does my plan cover Medicare Part B or non-Part D drugs?

In addition to providing coverage of Medicare Part D drugs, this plan provides coverage for Medicare Part B medications, as well as for some other drugs that Medicare normally does not cover (non-Part D medications). The amounts paid for Medicare Part B or non-Part D medications by either you or the plan will not accumulate toward your Medicare Part D total drug costs used to advance you through the stages of Part D coverage outlined above. However, they will accumulate toward your State of New Hampshire Express Scripts Medicare \$750 out-of-pocket maximum. Please call Customer Service for additional information about specific drug coverage and your copayment amount.

This information is not a complete description of benefits. Contact Express Scripts Medicare for more information. Limitations, copayments and restrictions may apply. Benefits, premium and/or copayments/coinsurance may change on January 1 of each year. The formulary and/or pharmacy network may change at any time. You will receive notice when necessary.

Express Scripts Medicare Customer Service

1.844.468.0427

24 hours a day, 7 days a week

We have free language interpreter services available for non-English speakers.

TTY: **1.800.716.3231**

You can also visit us on the Web at **www.Express-Scripts.com**.

This document may be available in braille. Please call Customer Service at the phone numbers listed above for assistance.

For questions about enrollment and eligibility, please contact the State of New Hampshire, Division of Personnel at **1.603.271.1475** or email at **SONHBenefits@nh.gov**.

Express Scripts Medicare (PDP) is a prescription drug plan with a Medicare contract.
Enrollment in Express Scripts Medicare depends on contract renewal.

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