

Summary of Benefits

Blue Shield of California Medicare Rx Plan
January 1, 2006 - December 31, 2006

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For Contract S2468, Plan 001, Segment 0

S2468 05.087A RA 10042005

Introduction to the Summary of Benefits for Blue Shield of California Medicare Rx Plan

January 1, 2006 - December 31, 2006

Thank you for your interest in the Blue Shield of California Medicare Rx Plan. Our plan is offered by California Physicians' Service, d.b.a. Blue Shield of California, a Medicare Prescription Drug Plan that contracts with Medicare. This Summary of Benefits tells you some features of our plan. It doesn't list every drug we cover, every limitation or exclusion. To get a complete list of our benefits, please call Blue Shield of California and ask for the *Evidence of Coverage*.

You have choices in your Medicare Prescription Drug Coverage.

As a Medicare beneficiary, you can choose from different Medicare prescription drug coverage options. One option is to get prescription drug coverage through a Medicare Prescription Drug Plan, like the Blue Shield of California Medicare Rx Plan. Another option is to get your prescription drug coverage through a Medicare Advantage plan that offers prescription drug coverage. You make the choice.

How can I compare my options?

The charts in this booklet list some important drug benefits. You can use this Summary of Benefits to compare the benefits offered by the Blue Shield of California Medicare Rx Plan to the benefits offered by other Medicare Prescription Drug Plans or Medicare Advantage plans with prescription drug coverage.

Where is the Blue Shield of California Medicare Rx Plan Available?

The service area for this plan includes: California. You must live in this state to join this plan.

Who is eligible to join?

You can join this plan if you are entitled to Medicare Part A and/or enrolled in Medicare Part B and live in the service area. Eligible individuals may only enroll in one Medicare Prescription Drug Plan at a time and may not be enrolled in a Medicare Advantage plan (HMO, PPO), unless they are a member of a Medicare private-fee-for-service plan that does not offer Medicare prescription drug coverage or are enrolled in an 1876 Cost Plan. You may join a Medicare Prescription Drug Plan during certain times of the year.

Where can I get my prescriptions?

Blue Shield of California Medicare Rx Plan has formed a network of pharmacies. You must use a network pharmacy to receive plan benefits. Blue Shield of California may not pay for your prescriptions if you use an out-of-network pharmacy, except in certain cases.

The pharmacies in our network can change at any time. You can ask for a Pharmacy Directory or call Customer Service for an up-to-date list.

Do you cover Medicare Part B or Part D Drugs?

We do not cover drugs that are covered under Medicare Part B as prescribed and dispensed. Generally, we only cover drugs, vaccines, biologicals and medical supplies that are covered under the Medicare Prescription Drug Benefit (Part D) and that are on our formulary.

Does my plan have a prescription drug formulary?

The Blue Shield of California Medicare Rx Plan uses a formulary. A formulary is a preferred list of drugs selected to meet patient needs. The plan may periodically make changes to the formulary. If the formulary changes, affected enrollees will be notified, in writing before the change is made.

What is a Medication Therapy Management (MTM) Program?

A Medication Therapy Management (MTM) Program is a service that your plan may offer. You may be invited to participate in a program designed for your specific health and pharmacy needs. You may decide not to participate but it is recommended that you take full advantage of this covered service

if you are selected. If you have questions concerning our MTM Program, please contact our Customer Service number listed at the end of this section.

What should I do if I have other insurance in addition to Medicare?

If you have a Medigap (Medicare Supplement) policy that includes prescription drug coverage, you must contact your Medigap Issuer to let them know that you have joined a Medicare Prescription Drug Plan. If you decide to keep your current Medigap supplement policy, your Medigap Issuer will remove the prescription drug coverage portion of your policy and adjust your premium. Under certain circumstances, you can also buy a different Medigap policy without prescription drug coverage sold by your Medigap Issuer. Your Medigap Issuer cannot charge you more, based on any past or present health problems. Call your Medigap Issuer for details.

If you or your spouse has, or is able to get, employer group coverage, you should talk to your employer to find out how your benefits will be affected if you join the Blue Shield of California Medicare Rx Plan. Get this information before you decide to enroll in this plan.

How can I get help with drug plan costs?

Medicare beneficiaries with low or limited income and resources may qualify for additional assistance. If you qualify, your Medicare prescription drug plan costs, the amount of your premium and your drug costs at the pharmacy will be less. Once you have enrolled in the Blue Shield of California Medicare Rx Plan, Medicare will tell us how much assistance you are receiving, and we will send you information on the amount you will pay. If you are not receiving this additional assistance, you should contact 1-800-Medicare to see if you might qualify.

What are my protections in this plan?

All Medicare Prescription Drug Plans agree to stay in the program for a full year at a time. Each year, the plans decide whether to continue for another year. Even if a Medicare Prescription Drug Plan leaves the program, you will not lose Medicare coverage. If a plan decides not to continue, it must send you a letter at least 90 days before your coverage will end. The letter will explain your options for Medicare prescription drug coverage in your area.

If the Blue Shield of California Medicare Rx Plan ever denies coverage for your prescription drugs, we will explain our decision to you. You always have the right

to appeal and ask us to review the claim that was denied. In addition, if your physician prescribes a drug that is not on our formulary, is not a preferred drug or is subject to additional utilization rules, you may ask us to make a coverage exception.

Please call the Blue Shield of California Medicare Rx Plan for more information about this plan.

Customer Service Hours:

8:00 a.m. - 5:00 p.m. Monday through Friday (excluding holidays)

Current members should call (877)-275-6565 (TTY/TDD (888)-595-0000)

Prospective members should call (800)-488-8000 (TTY/TDD (888)-595-0000)

For more information about Medicare, call 1-800-MEDICARE (1-800-633-4227).

TTY users should call 1-877-486-2048. You can call 24 hours a day, 7 days a week.

Or, visit www.medicare.gov.

If you have special needs, this document may be available in other formats.

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BENEFIT	ORIGINAL MEDICARE	BLUE SHIELD OF CALIFORNIA MEDICARE RX PLAN
<p>Outpatient Prescription Drugs</p>	<p>You pay 100% for most prescription drugs, unless you enroll in the Medicare Part D Prescription Drug program.</p>	<p>You pay \$32.67 each month for your Medicare Part D prescription benefits.</p>
		<p>This plan does not cover Medicare Part B prescription drugs.</p>
		<p>This plan uses a formulary. A formulary is a preferred list of drugs selected to meet patient needs at a lower cost. If the formulary changes, you will be notified, in writing, before the change. To view the plan’s formulary, go to www.mylifepath.com on the web.</p>
		<p>People who have low incomes, who live in long term care facilities, or who have access to Indian/Tribal/Urban (Indian Health Service) facilities may have different out-of-pocket drug costs. Contact the plan for details.</p>
		<p>There is no deductible.</p>
		<p>Before the total yearly drug costs (paid by both you and your plan) reach \$2,250, you pay the following for prescription drugs:</p> <ul style="list-style-type: none"> • \$10 for a one-month (30 day) supply of Formulary Generic (Low Cost) – Generic drugs you get at an in-network preferred pharmacy. • \$29 for a one-month (30 day) supply of Formulary Preferred Brand drugs you get at an in-network preferred pharmacy. • 25% coinsurance for a one-month (30 day) supply of Formulary Specialty (Unique High Cost Drugs) – Generic, Brand and Preferred Brand drugs you get at an in-network preferred pharmacy. • \$10 for a one-month (30 day) supply of Formulary Generic (High Cost) – Generic drugs you get at an in-network preferred pharmacy. • \$30 for a three-month (90 day) supply of Formulary Generic (Low Cost) – Generic drugs you get at an in-network preferred pharmacy. • \$87 for a three-month (90 day) supply of Formulary Preferred Brand drugs you get at an in-network preferred pharmacy.

	<ul style="list-style-type: none"> • \$30 for a three-month (90 day) supply of Formulary Generic (High Cost) – Generic drugs you get at an in-network preferred pharmacy. • \$20 for a three-month (90 day) supply of mail order Formulary Generic (Low Cost) – Generic drugs. • \$58 for a three-month (90 day) supply of mail order Formulary Preferred Brand drugs.
	<ul style="list-style-type: none"> • \$20 for a three-month (90 day) supply of mail order Formulary Generic (High Cost) – Generic Drugs.
	After the total yearly drug costs (paid by both you and your plan) reach \$2,250, you pay 100% of your prescription drug costs.
	After your yearly out-of-pocket drug costs reach \$3,600, you pay the greater of: <ul style="list-style-type: none"> • \$2 for generic or preferred brand drug that is a multi-source drug and \$5 for all other drugs, or • 5% coinsurance.
	Certain prescription drugs will have maximum quantity limits. Contact plan for details.
	Your provider must get prior authorization from Blue Shield of California Medicare Rx Plan for certain prescription drugs. Contact plan for details.
	Covered Part D drugs are available at out-of-network pharmacies in special circumstances including illness while traveling outside of the Plan's service area where there is not network pharmacy. <ul style="list-style-type: none"> • \$10 for a one-month (30 day) supply of Formulary Generic (Low Cost) – Generic drugs you get at an out-of-network pharmacy. • \$29 for a one-month (30 day) supply of Formulary Preferred Brand drugs you get at an out-of-network pharmacy. • 25% coinsurance for a one-month (30 day) supply of Formulary Specialty (Unique High Cost Drugs) – Generic, Brand and Preferred Brand drugs you get at an out-of-network pharmacy. • \$10 for a one-month (30 day) supply of Formulary Generic (High Cost) – Generic drugs you get at an out-of-network pharmacy.

Blue Shield of California Medicare Rx Plan is a Medicare-contracted Prescription Drug Plan, open to all Medicare beneficiaries who reside within the Plan's service area and are entitled to Part A or enrolled in Part B. You must continue to pay your Medicare Part B premium if not otherwise paid for under Medicaid or by another third-party. Minimal copayments, restrictions and limitation apply. Members must use network pharmacies to access their prescription drug benefit, except under non-routine circumstances when they cannot reasonably use network pharmacies.