



BlueCross
of California

*Need help with Prescription Drug Costs?
Turn to a name you can trust.*

Blue Cross MedicareRx Value, Plus & Gold Plans



California



MedicareRx
Prescription Drug Coverage **X**
S5596-011-AICI 10/05

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The high cost of prescription drugs can be devastating. We can help.

Medicare's new prescription drug coverage, also called Medicare Part D, is the most significant change to Medicare since the program began – and it could mean big savings for you. Medicare has contracted with certain private companies to offer this new benefit. These companies are called Medicare Prescription Drug Plans, or PDPs. We are proud to offer **Blue Cross MedicareRx**, a selection of drug plans approved by Medicare.

Blue Cross MedicareRx. Choice. Strength. Service. Value. It just makes sense.

Medicare designed its new prescription drug program with flexibility in mind – so Prescription Drug Plans (PDPs) could offer a variety of plans to meet different health care needs and budgets.

PDPs are required to offer Medicare's standard prescription drug benefit design, or one that is equal to it. In addition, they may offer other benefit designs with enhanced coverage.

Change can be good. It's even better when you have someone to count on.

These are exciting times. Medicare now offers more coverage than ever before. But before you enroll, it's important that you have all the facts, and know all your options.

With decades of experience working with Medicare, we are ready to start helping our communities deal with the staggering cost of prescription drugs.

So let's get started.

It's Your Health. Your Decision.



We give you more medication choices, with coverage for both money-saving generic as well as brand-name drugs.

Your health care needs aren't the same as your neighbor's. That's why we offer three Blue Cross MedicareRx plans – so you can find the protection that's right for you.

More Pharmacies. More Drugs. More Freedom.

We offer more than a choice of plans. With **Blue Cross MedicareRx**, you'll have:

- A broad retail pharmacy network, with access to nearly 50,000 pharmacies nationwide.*
- A wide choice of covered prescription drugs. While generic drugs may provide big savings, they aren't always an option. Our drug list, (also known as a formulary), gives you more medication choices, with coverage for both money-saving generic as well as brand-name drugs.

And, for maximum choice and freedom, our **Blue Cross MedicareRx Gold** plan gives access to a larger, enhanced choice of medications and non-preferred brand drugs.

Keep in mind...when you purchase brand-name or non-preferred brand drugs, your share of the cost will be higher. But the choice is yours.

Easy to enroll

We've made it easy to enroll. There are no health questions to answer. Simply complete and sign the enrollment form and return it in the postage-paid envelope provided. We will notify you in writing when we receive your enrollment form.

If you would like the convenience of having your premium automatically deducted from your Social Security check, be sure to mark that option on your enrollment form.

Easy to use

With **Blue Cross MedicareRx**, you get the best of both worlds – local service with national recognition. Our choice of plans, expansive pharmacy network and long list of covered prescription drugs give you flexibility at a price you can afford.

Your prescription drug claims will be filed automatically for you at network pharmacies. You simply show your **Blue Cross MedicareRx** card to your pharmacist, pay your share of the cost, and enjoy the savings. We'll send you a monthly statement (Explanation of Benefits) to help you keep track of how you've used your benefits.

** Blue MedicareRx Pharmacy Directory, September 2005. Also available on www.bluecrossmedicarerx.com.*

Understanding the Benefits

How does Medicare's Prescription Drug Coverage work?

Medicare's Prescription Drug Coverage is voluntary. You choose whether or not to enroll with a Prescription Drug Plan. You also choose which PDP you trust to provide your benefits.

How are premiums paid?

You can have your premium automatically withdrawn from your Social Security check, or pay your premium directly to us. If you don't want to deduct the premiums from your Social Security check, we offer other easy payment options. Be sure to review the Payment Options form, provided with your enrollment form, for more details.

People with limited incomes and resources can apply for extra assistance to pay for their prescription drugs. See page 6 for more information.

What are my other costs?

Like most health insurance programs, **Blue Cross MedicareRx** requires cost-sharing. Cost-sharing (where you pay a portion of the cost with the Prescription Drug Plan) helps keep the program affordable for everyone.

When Medicare designed its standard prescription drug benefit, it focused on providing solid coverage to the majority of people with Medicare. PDPs may offer Medicare's standard benefit, or plans that are equal to or better than that design. We offer three Prescription Drug Plan designs to meet different health care needs and budgets.

Before you compare plans, ask yourself, what is important to you?



Blue Cross MedicareRx: Finding the Plan That is Right for You

Cost?

Cost is important for everyone, but for some it's the main concern. **Blue Cross MedicareRx Value Plan** offers our lowest premium and low copayments.

Immediate Coverage?

With **Blue Cross MedicareRx Plus**, your benefits begin right away, with no deductible to satisfy.

Expanded Coverage?

Blue Cross MedicareRx Gold provides benefits for generic drugs during the coverage gap (see chart on page 3.) Also, you have the flexibility to choose from a larger, enhanced choice of medications.

Important Notes

All covered drugs are on our formulary/drug list unless otherwise noted as a non-preferred drug.

***Network and Non-network Pharmacies**

At non-network pharmacies, you will be responsible for the difference between the network and non-network pharmacy costs, in addition to your copayment. This does not apply in emergency situations, or when you do not have adequate access to a network retail pharmacy.

Blue Cross MedicareRx Plan Comparison Chart

	MedicareRx Value	MedicareRx Plus	MedicareRx Gold
A Monthly Premium	\$20.04	\$28.56	\$35.29
Annual Deductible	\$250	\$0	\$0
A flat-dollar amount (copayment) or a percentage of the cost (coinsurance) for covered generic, brand or other prescription drugs, until the annual cost of prescription drug expenses reaches \$2250. (This includes any deductible, copayments or coinsurance.)	30-day supply* Generic: \$5 Brand: \$25 Injectable drugs: 25%	30-day supply* Generic: \$10 Brand: \$30 Injectable drugs: 30%	30-day supply* Generic: \$10 Brand: \$30 Non-Preferred Brand: \$60 Injectable drugs: 30%
	90-day supply* Preferred Mail Order Pharmacy: Generic: \$7.50 Brand: \$62.50 Injectable drugs: 25% Retail 90-day Pharmacy: Generic: \$15 Brand: \$75 Injectable drugs: 25%	90-day supply* Preferred Mail Order Pharmacy: Generic: \$15 Brand: \$75 Injectable drugs: 25% Retail 90-day Pharmacy: Generic: \$30 Brand: \$90 Injectable drugs: 30%	90-day supply* Preferred Mail Order Pharmacy: Generic: \$15 Brand: \$75 Non-Preferred Brand: \$150 Injectable drugs: 25% Retail 90-day Pharmacy: Generic: \$30 Brand: \$90 Non-Preferred Brand: \$180 Injectable drugs: 30%
See page 4 for explanation of Coverage Gap. The cost for covered prescription drug expenses between \$2250 in drug costs and \$3600 in annual out-of-pocket costs.	100% of the cost	100% of the cost	30-day supply* Generic: \$10 90-day supply* Preferred Mail Order Pharmacy: Generic: \$15 Retail 90-day Pharmacy: Generic: \$30
The cost for covered prescription drugs after you have paid \$3600 in annual out-of-pocket costs. You pay a flat-dollar amount or 5%, whichever is greater.	Generic/Preferred Multisource Brand: \$2 or 5% whichever is greater All others: \$5 or 5% whichever is greater	Generic/Preferred Multisource Brand: \$2 or 5% whichever is greater All others: \$5 or 5% whichever is greater	Generic/Preferred Multisource Brand: \$2 or 5% whichever is greater All others: \$5 or 5% whichever is greater

Important Terms

Brand-name drugs: Prescription drugs that are protected by patent and typically produced and sold by one manufacturer.

Coinsurance: The share of expenses (a percentage of the cost of the drug) that a member pays for certain covered drugs.

Copayment: Usually a set, flat-dollar amount that a member pays for certain covered drugs.

Cost Sharing: When the member pays a portion of the cost of the drug with the Prescription Drug Plan. Examples of cost sharing are coinsurance, copayments and deductibles.

Coverage Gap: Once you and **Blue Cross MedicareRx** have paid \$2250 in annual covered prescription drug expenses, you will be responsible for paying more or all of the cost for your medications, depending on the plan you choose, until your total out-of-pocket expenses reach \$3600.

With **Blue Cross MedicareRx Value and Plus**, you are responsible for 100% of drug costs in the coverage gap. With **Blue Cross MedicareRx Gold**, you will have benefits for covered generic drugs in the coverage gap.

After the coverage gap ends, (after you have paid \$3600 in annual out-of-pocket costs), your share of the cost for covered prescription drugs is minimal.

Deductible: A dollar amount a health care plan member must pay for covered services during a benefit period before the health care plan begins paying for covered services.

Formulary: Also known as a drug list. A list of the prescription drugs that are covered by a health care plan.

Generic drugs: Prescription drugs that have the same active ingredient as brand-name drugs. Generic prescription drugs usually cost less than brand-name drugs and are required by the Food and Drug Administration (FDA) to be as safe and effective as the brand-name drug.

Injectable drugs: These medications are frequently given by injection or infusion and often require special packaging, mailing and storage. In some materials, you will find injectable drugs referred to as specialty and non-specialty.

Specialty injectable drugs are defined as high-cost, unique drugs used to treat conditions such as multiple sclerosis, hepatitis C, rheumatoid arthritis or cancer.

Non-specialty injectable drugs are used to treat less costly chronic conditions, as compared to specialty agents. Examples include injectable antibiotics as well as injectable medications designed for the treatment of diabetes.

Network Pharmacies: Pharmacies that have agreed to provide Part D services to our members. You will get the most from your prescription drug benefits when you visit a network pharmacy.

Retail 90-Day Pharmacies: Pharmacies within our network that have agreed to fill 90-day supplies of prescription medications, helping to eliminate multiple trips to the pharmacy.

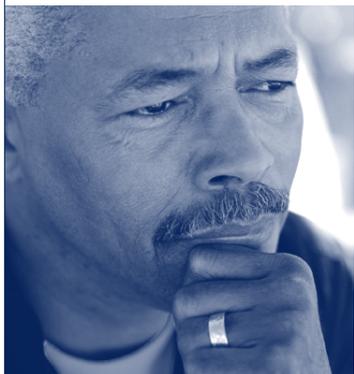
Non-preferred Brand Drugs: Certain brand-name prescription drugs that are covered in order to offer a larger choice of medications. Your share of the cost is higher for non-preferred brand drugs compared to preferred brands.

PDP: Prescription Drug Plan, a company approved by Medicare that has a contract with the government to provide prescription drug coverage to people on Medicare.

Preferred Brand Drugs: A brand-name prescription drug included on our preferred drug list. This category of drugs includes “multisource brand drugs”, which are brand drugs available through multiple manufacturers with a generic option available—and therefore are usually available at a lower cost.

Preferred Pharmacies: Available only for mail service and specialty medications, where members are expected to receive the largest savings through their prescription benefit.

Who is eligible?



Anyone who meets the following criteria is eligible for Medicare Prescription Drug coverage, and **Blue Cross MedicareRx** membership:

- You are entitled to Medicare Part A or enrolled in Part B.
- Your permanent residence is within the **Blue Cross MedicareRx** service area.
- You must continue to pay your Medicare Part B premium, if not otherwise paid for under Medicaid or by another third-party, even if the Part D premium is \$0.
- You are enrolled in only one Prescription Drug Plan at a time.
- You are not enrolled in a Medicare Advantage plan, (Medicare PPO or Medicare HMO) unless you are a member of a Private Fee for Service plan or Medicare Savings Account plan. If you are already enrolled in a Medicare Advantage plan, you should check with your Plan about prescription drug benefits that may be available through that Plan.
- You are not a member of a Medicare Advantage Prescription Drug (MA-PD) plan. (Medicare's Prescription Drug Coverage is automatically available to MA-PD plan members.)
- You do not have drug coverage under both a Medicare Supplement plan and a Prescription Drug Plan.

If you have drug coverage now

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

Assistance for those with limited resources

People with limited income and resources may be able to receive extra help with Prescription Drug Plan costs. This assistance includes lower premiums, deductibles and copayments. Beneficiaries interested in available Medicare Part D subsidies may contact Blue Cross MedicareRx customer service at 1-866-892-5340, TTY/TDD users call 1-800-297-1538, Monday through Friday, 8:00 a.m. - 5:00 p.m., 1-800-MEDICARE (TTY/TDD users call 877-486-2048, 24 hours a day/7 days a week), their State Medicaid office, or the Social Security Administration at 1-800-772-1213 or on the toll-free TTY/TDD number, 1-800-325-0778, between 7 a.m. and 7 p.m., Monday through Friday.

If you qualify for additional assistance for your Medicare Prescription Drug Plan costs, the amount of your premium and cost at the pharmacy will be less. Once you have enrolled in **Blue Cross MedicareRx**, 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 (TTY/TDD users should call 1-877-486-2048), your State Medicaid Office, or the Social Security Administration at 1-800-772-1213 or on the toll-free TTY/TDD number, 1-800-325-0778, between 7 a.m. and 7 p.m., Monday through Friday, to see if you might qualify.

When should I enroll?

Open Enrollment Periods

Medicare's Prescription Drug Coverage (Part D) has certain time periods when people can enroll, similar to Part A and Part B coverage. These are called open enrollment periods, and there are several different types.

Initial Open Enrollment Period

If you are eligible for Medicare prior to January 31, 2006

At the beginning of the Part D program, there is an Initial Enrollment Period for all people with Medicare. This time period begins November 15, 2005 and extends through May 15, 2006. After that time, these individuals will have an opportunity to join a Prescription Drug Plan once a year, from November 15 through December 31 (the Annual Coordinated Election Period). Delaying enrollment after the initial open enrollment period may result in a late enrollment penalty.

If you are eligible for Medicare after January 31, 2006

People who are first eligible for Medicare after January 31, 2006 will have the same open enrollment period for Medicare Part D as they do for Medicare Part B – (the month of eligibility plus the three months before and three months after the month of eligibility). After that time, individuals will have an opportunity to join a Prescription Drug Plan once a year, from November 15 through December 31 (Annual Coordinated Election Period). Delaying enrollment after the initial enrollment period may result in a late enrollment penalty.

Special Election Period

A Special Election Period is provided for certain situations, such as: when an individual makes a permanent move outside the service areas, the Medicare Prescription Drug Plan organization breaks its contract with an individual or does not renew its contract with CMS (Centers for Medicare and Medicaid Services), or other exceptional conditions determined by CMS. During this time, an individual may discontinue enrollment and change to a different Medicare Prescription Drug Plan.

Annual Coordinated Election Period

The Annual Coordinated Election Period occurs November 15 through December 31 of every year. During this time, individuals may enroll in and disenroll from a Medicare Prescription Drug Plan (PDP) plan, or choose another PDP plan.

Special Note for 2006: The Annual Election Period begins on November 15, 2005, and continues through May 15, 2006. There is one enrollment/disenrollment choice available for use during this period. Once the enrollment is effective, the individual cannot change to a different PDP until the next open enrollment period.

There are several different types of enrollment periods.



What is the late enrollment penalty?

Enrollment in Medicare's prescription drug coverage is your choice. If you already have prescription drug coverage and you are comfortable with those benefits, you may choose not to enroll in a Medicare Prescription Drug Plan. However, if you decide not to enroll in a Medicare Prescription Drug Plan at the first opportunity, you may be subject to a late enrollment penalty when you do enroll.

This penalty was designed to encourage people to sign up for coverage at the youngest possible age, which helps keep overall costs of the drug program more affordable, and is similar to the late enrollment penalty for Medicare Part B.

The late penalty will be 1% of the national average monthly premium. That percentage will accumulate each month you are not enrolled but were eligible for the coverage. The penalty will be added to your premium for as long as you are enrolled in Medicare's prescription drug coverage.

In some instances, people can delay enrollment in Medicare's prescription drug coverage without paying a penalty. For example, you may have creditable coverage as an individual or through an employer group policy. Creditable coverage is a drug benefit of equal or greater value than Medicare's standard prescription drug coverage. If you have creditable coverage, your current insurer should send you information about your options, and you may choose not to enroll in a Medicare Prescription Drug Plan. No late penalty would apply in this instance.

To complete your enrollment form:

1. Be sure to complete all information, sign and date your enrollment form.
2. If you would like the convenience of having your premium deducted from your Social Security check, be sure to check Yes in Step 4. If you want to use our other convenient payment options, complete the Payment Options Form included with your enrollment form.
3. Return the form(s) in the postage-paid envelope provided.
4. We'll contact you in writing when we receive your enrollment form.

Prescription Drug Benefits



Blue Cross MedicareRx Service Area

The service area for **Blue Cross MedicareRx** is: the state of California.

Our Network Pharmacies

Network pharmacies have agreed to provide Part D services to our members. They also typically file your claims automatically for you.

Preferred pharmacies are available for mail service and specialty medications, where members are expected to receive the largest savings through their prescription benefit. Additionally, select network retail pharmacies have contracted with us to allow members to fill a 90-day supply of their prescription medications, helping to eliminate multiple trips to the pharmacy.

Our pharmacy network includes nearly 50,000 pharmacies nationwide.

A short listing of network chain pharmacies is included with these materials. For a complete listing, or to find a network pharmacy near your home, call us at the number listed on page 10.

Our Drug List

A **Blue Cross MedicareRx** sample drug list is included with your enrollment kit. For a full listing of covered drugs, visit www.bluecrossmedicarerx.com

or call the number listed on page 9. If drugs are added or removed from the drug list during the year, we will notify you of the change at least 60 days before the change becomes effective. Additionally, drug list changes will be posted to our Web site, www.bluecrossmedicarerx.com, at least 60 days prior to the change.

Medication Safety and Member Education

The prescription drug benefits our members receive provide access to safe and effective medications. Our claims processing systems are designed to screen medications against others for potential drug interactions, appropriate dosing, diagnosis and more.

Additionally, the Medication Therapy Management Program focuses on the education of individuals with chronic diseases. Members have access to disease-specific materials that help them better understand their conditions and focus on what they can do to live a healthier lifestyle. The program also alerts physicians to potential medication therapy issues and options, helping to ensure our members receive access to appropriate care.

Contract Renewal

Contracts with Medicare are renewed annually. Therefore, we cannot guarantee availability of coverage beyond the end of the current contract year.

If our Medicare contract is terminated, or if we stop offering **Blue Cross MedicareRx** benefits, we will give you written notice of when that change will be effective. We will also provide you with information about alternative Prescription Drug Plans in your area, and the steps you need to take to continue your prescription drug coverage with Medicare. At that time, you would be eligible for a Special Election Open Enrollment Period, and could choose a new PDP without being subject to a late enrollment penalty.

Additional Information

We Listen to Your Concerns

We do our best to give our members all the information they need to make the most of their benefits, and to listen to their concerns. You have the right to make a complaint if you have concerns or problems related to your prescription drug coverage or the service you receive. “Appeals” and “grievances” are the two different types of complaints you can make. An “appeal” is the type of complaint you make when you want us to reconsider and change a decision we have made about your prescription drug benefits, and/or what we will pay for a prescription drug. For example, you can file an appeal if we do not cover or pay for a prescription drug you think we should cover.

A “grievance” is the type of complaint you make if you have any other type of problem with the service you receive from us or one of our network pharmacies. For example, you would file a grievance if you have a problem with the waiting times when you fill a prescription, the way your network pharmacist or others behave, the availability of pharmacy staff by phone or otherwise, or the cleanliness or condition of a network pharmacy.

We have procedures to help ensure that appeals and grievances are answered in a timely manner. More information about these procedures are available in our Blue Cross MedicareRx member materials.

How to Contact Us

We are dedicated to providing you with outstanding service. If you have any questions about **Blue Cross MedicareRx**, please call your local Blue Cross agent, or call us at 1-866-892-5340 from 6 a.m. to 5:30 p.m. PT, Monday through Friday. (TTY/TDD# 1-800-297-1538). Materials may be available in other formats.

You can also write to us at:

Blue Cross
P.O. Box 9092
Oxnard, CA 93031



BlueCross of California

Anthem Insurance Companies, Inc (AICI) is the legal entity under contract with the Centers for Medicare and Medicaid Services (CMS) authorized to offer the applicable Medicare Prescription Drug (Part D) plans and services in this region. AICI is the legal entity licensed under applicable state law or under a federal waiver program that is authorized to offer these Part D plans. AICI has partnered with its affiliated local companies to provide various administrative and management services for these Part D plan(s).

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