

Important Information

How Your Plan Will Change For 2009

This is the time of year when we like to thank you for your membership and let you know of new plan changes for the upcoming year. Beginning January 1, 2009, there will be some changes to our Plan.

You are enrolled in Preferred Choice in 2008 and your plan coverage and costs are changing. All changes will be effective January 1, 2009.

This is just a brief summary of the changes in your plan for 2009. **Make sure to read the next few pages for answers to important questions you may be asking.** If you have any questions, call Member Services. Note: If you are receiving help from your state Medicaid agency or State Pharmaceutical Assistance Program (SPAP), such as a reduced co-payment, these reductions are not reflected in this packet. Please call your state or SPAP at the number listed in Section 8 if you have questions.

	2008 Preferred Choice	2009 Preferred Choice
Monthly Premium This monthly premium amount does not include any late enrollment penalty you may be responsible for paying (see Section 2 in the EOC for more information).	\$ 0.00	\$ 0.00
Outpatient mental health care	\$0 copay for Medicare covered mental health services with a psychiatrist.	\$20 copay for Medicare covered mental health services with a psychiatrist.
Emergency care	No worldwide coverage	\$20,000 limit for emergency care outside the US.
Urgently needed Care	\$0 copay	\$50 copay If you are admitted to the hospital within 24-hour(s) for the same condition, \$0 for the urgent-care visit.

	2008 Preferred Choice	2009 Preferred Choice
Podiatry	\$0 copay for <ul style="list-style-type: none"> - Medicare covered podiatry services (medically necessary foot care) - Up to 4 routine visit every year 	\$0 copay for <ul style="list-style-type: none"> - Medicare covered podiatry services (medically necessary foot care) - 1 routine visit every three months Maximum \$10 per visit. Member is responsible for all costs above plan maximum for routine podiatry.
Pap tests, pelvis exams and clinical breast exam	\$0 copay for Medicare-covered pap smears and pelvic exams	\$0 copay for Medicare-covered pap smears and pelvic exams AND up to 1 additional pap smear and pelvic exam every year
Medicare Part B Prescription Drugs	0 % co-insurance	20% co-insurance
OTC Benefit	Maximum 21 items per quarter ordered through Liberty Health Advantage mail order network. The maximum plan benefit coverage amount for Over the Counter Drugs and Supplies is \$63 per quarter (\$252 per year).	The maximum plan benefit coverage amount for Over the Counter Drugs and Supplies is \$45 per quarter (\$180 per year).
Acupuncture	\$0 copay for each acupuncture visit up to 2 visits every year	\$0 copay for each acupuncture visit up to 4 visits every year
Initial Coverage Preferred Brands	Mail Order pharmacy not available.	\$25 co-payment for one-month (31-day) supply from mail-order pharmacy \$50 co-payment for two-month (62-day) supply from mail-order pharmacy \$75 co-payment for three-month (92-day) supply from mail-order pharmacy

	2008 Preferred Choice	2009 Preferred Choice
Initial Coverage Brands	Mail Order pharmacy not available.	\$50 co-payment for one-month (31-day) supply from mail-order pharmacy \$100 co-payment for two-month (62-day) supply from mail-order pharmacy \$150 co-payment for three-month (92-day) supply from mail-order pharmacy
Initial Coverage Specialty Drugs	Mail Order pharmacy not available.	25% co-insurance for one month (31 day), two-month (62-day) or three-month (92-day) supply from mail-order pharmacy

With this notice, you also received a 2009 Evidence of Coverage and a new formulary that will be effective January 1, 2009. Medicare has reviewed and approved the benefits described and covered drugs listed in the formulary. Please see Section 10 for more information about the benefits and drug coverage described in the table above.

We also offer other plans in your area that may have different premiums, co-payments, or coinsurance amounts. To learn more about what other plans we have available in your area, call Member Services. Our other special needs plans include:

- Dual Power – Nassau
- Dual Power – NYC
- Secure Choice

This is Your Annual Notice of Change

Why am I receiving this information?

We are sending this Annual Notice of Change (ANOC) so you can review the 2009 coverage offered through this plan. Each year from November 15 through December 31, you may make a change to your Medicare plan and Medicare prescription drug coverage, with your new plan beginning on January 1. Certain individuals, such as those with Medicaid, those who get extra help, or who move, can make changes at other times. **If you want to stay in our Plan, you don't need to do anything. You will still be a member of our Plan for the coming year.**

Note: If you are a member of a State Pharmaceutical Assistance Program (SPAP) or an employer group, you may be required to belong to a specific plan in order to continue to get the additional benefits you may be receiving. Please check with your SPAP or employer before switching to another prescription drug program. The phone number for your SPAP can be found in Section 8 of the Evidence of Coverage.

What if my drugs are not on the formulary or are in a more expensive cost-sharing tier?

We have changed our formulary. The new formulary may be different from the one you are using. We have added, removed, or placed more limitations on some of the drugs we cover. Please review the formulary to see if we still cover the drugs that you currently take. The enclosed formulary can also be found on our website or you may call Member Services if you need any help locating a certain drug.

If a drug we currently cover for you is not on our new formulary, you will need to talk with your doctor about taking an alternative drug that is available on our new formulary. If you wish to continue coverage of your current drug, you or your doctor can request a formulary exception. If a drug we currently cover for you is on our new formulary but has been moved to a higher non-preferred cost-sharing tier, you can talk with your doctor about taking an alternative drug that is available in a lower cost-sharing tier. If you wish to pay the lower preferred cost-sharing amount for your current drug, you or your doctor can request a tiering exception. If you or your doctor would like to request an exception, the request should be made by December 30, 2008. If a formulary exception request is approved, we will continue covering your current drug on January 1. If a tiering exception request is approved, we will cover your current drug at the preferred cost-sharing amount on January 1.

Please refer to Section 5 in the Evidence of Coverage for instructions on how to file an exception.

As a member in our plan, you may currently be taking drugs that are not on our formulary or are on our formulary but your ability to get them is limited. In instances like these, you need to talk with your doctor about appropriate alternative therapies available on our formulary. If there are no appropriate alternative therapies on our formulary, you or your doctor can request a formulary exception. If the exception is approved, you will be able to obtain the drug you are taking for a specified period of time. While you are talking with your doctor to determine your course of action, you may be eligible to receive an initial 30 days transition supply of the drug anytime during the first 90 days you are a member of our plan.

For each of your drugs that is not on our formulary or for situations where your ability to get your drugs is limited, we will cover a temporary 30-day supply (unless you have a prescription written for fewer days) when you go to a network pharmacy. After your first 30-day transition supply, we may not continue to pay for these drugs under the transition policy. You are reminded to discuss with your doctor appropriate alternative therapies on our formulary and if there are none, you or your doctor can request a formulary exception.

If you are a resident of a long-term care facility, we will cover a temporary 31-day transition supply (unless you have a prescription written for fewer days). We will cover more than one refill of these drugs for the first 90 days you are a member of our plan. If you need a drug that is not on our formulary or your ability to get your drugs is limited, but you are past the first 90 days of membership in our plan, we will cover a 31-day emergency supply of that drug (unless you have a prescription for fewer days) while you pursue a formulary exception.

Current Members with a change in their level of care

Exceptions are available for beneficiaries who have experienced a change in the level of care they are receiving which requires them to transition from one facility or treatment center to another. Examples of situations in which beneficiaries would be eligible for the one-time temporary fill exception when they are outside of the three month effective date into the Part D program are as follows:

- i. For example if a beneficiary was discharged from the hospital and was provided a discharge list of medications based upon the formulary of the hospital.
- ii. Beneficiaries who end their skilled nursing facility Medicare Part A stay (where payments include all pharmacy charges) and who need to revert back to their Part D plan formulary
- iii. Beneficiaries who give up Hospice Status to revert back to standard Medicare Part A and B benefits
- iv. Beneficiaries who are discharged from Chronic Psychiatric Hospitals with medication regimens that are highly individualized.

All of these situations would warrant a temporary one-time fill exception.

If you have any questions about our transition policy or need help asking for a formulary exception, call Customer Services at 1-800-546-5677, 24 hours a day, seven days a week, TTY/TDD users should call 1-866-706-4757.

What do I need to know if I qualify for extra help (the low-income subsidy, or LIS) from Medicare to pay for my prescription drugs?

If you continue to qualify for the same amount of extra help next year, the table below tells you how your prescription costs will change. You will also receive an “**Evidence of Coverage Rider for those who Receive Extra Help Paying for their Prescription Drugs**” before October 31, 2008, that has more specific information on your premiums and cost-sharing in 2009. Read this important information carefully. If you don’t know what level of extra help you qualify for, you can call 1-800-MEDICARE (1-800-633-4227). TTY users should call 1-877-486-2048.

If you pay this much this year (2008)	You will pay this much next year (2009)
\$0 deductible	\$0 deductible
\$56 deductible	\$ 60 deductible
\$1.05 for generics and brands that are treated as generics \$3.10 for brand name drugs	\$ 1.10 for generics and brands that are treated as generics \$ 3.20 for brand name drugs
\$2.25 for generics and brands that are treated as generics \$5.60 for brand name drugs	\$ 2.40 for generics and brands that are treated as generics \$ 6.00 for brand name drugs
15% coinsurance for all drugs	15% coinsurance for all drugs

If you qualify for extra help, you pay \$0 or a reduced monthly Part D premium. If you continue to qualify for the same amount of extra help in 2009, the table below tells how much you will pay for a monthly premium. (This doesn't include any Medicare Part B premium you may have to pay.) If you don't know your level of extra help, call Member Services.

Your level of extra help	Monthly Premium for Preferred Choice
100%	\$0.00
75%	\$0.00
50%	\$0.00
25%	\$0.00

Where can I get more information?

The Evidence of Coverage on the following pages has more information on our Plan's coverage, including information on how to make changes to your membership in Section 6.

Please call Member Services if you have any questions. You can also get information about the Medicare program and other Medicare plans available by visiting www.medicare.gov or by calling 1-800-MEDICARE (1-800-633-4227) 24 hours a day, 7 days a week. TTY users should call 1-877-486-2048.