

Medicare Advantage Enrollment Guide

They've got you covered page 3

Low-cost coverage in all 50 states

Wallet savers page 4

Lower-cost, high-quality
HMO-like plans

A winning strategy pages 11-14

Study the game plans to
determine which is best



Win for Life

Making SMART health choices

1 2009 Open Enrollment

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Contacts

For more information or to request an enrollment package from Aetna, TexanPlus or Texas HealthSpring, call the customer service numbers below.



800-307-4830
www.aetnamedicare.com



866-556-4614
www.sctexas.com



Texas HealthSpring

800-846-2098
www.texashealthspring.com

We don't want to overload your mailbox, so we let you request the information you want. Feel free to call all three.

A message from the coach

Dear retirees,

We're all looking for ways to save money. That's hard to do when health-care costs go up every year. Yet, you can't do without health insurance. What you need is a good game plan to win this game.

Retirees have 5 plans from which to choose the best for you. Medicare Advantage plans offer you great coverage at a substantially lower rate than you pay for your Blue Cross HMO or PPO coverage. The city offers three MA plans: Aetna Private-Fee-For-Service, Texas HealthSpring, and TexanPlus, in addition to the HMO and PPO.

Since we introduced Medicare Advantage plans four years ago, 2,225 of your fellow retirees have joined the plans. This will save them \$3.9 million collectively, and the city \$7.9 million, this year.

What do the plans offer you? Here are just few highlights:

- Lower monthly premiums than the HMO
- Prescription-drug coverage designed to duplicate the city's HMO/PPO plans, which far exceed Medicare Part D
- Familiar doctors and hospitals
- High satisfaction ratings

PPO members covered by Medicare -- pay special attention this year. As of Jan. 1, 2009, Kelsey-Seybold no longer accepts Medicare-covered PPO patients. See page 3 for more details. If you are a PPO member who uses Kelsey-Seybold, you will need to choose another physician or try one of our other options for your health care. Kelsey-Seybold doctors will continue to accept HMO Blue Texas HMO, Texas HealthSpring and TexanPlus members.

Think about what's important to you in a health plan: monthly premiums, low copayments, choice of doctors and hospitals, generous prescription benefits - the MA plans we offer address each of these priorities. Now that's a game-winning strategy.

Respectfully,

Mayor Bill White

Who's eligible?

Probably you. Here are the FIVE things you need to qualify:

- Be a retiree, dependent or survivor covered under a city medical plan
- Live in a plan's service area, if you enroll in an MA HMO; Aetna's service area is all 50 states
- Pay the required premium to the city
- Be enrolled for coverage in both Medicare Part A, hospital insurance, and Medicare Part B, medical insurance
- Not have end-stage renal disease, except for Aetna PFFS plan

There are no waiting periods, and you cannot be turned down for a pre-existing health condition.

Medicare Advantage plans - a good strategy for victory over rising health-care costs

Medicare offers you different ways to get your Medicare benefits when you reach age 65 or become covered under Medicare before age 65. One option, Original Medicare, is the traditional form that underlies your retiree health coverage from the city.

Another option is a Medicare Advantage plan, where Medicare contracts with private companies to provide the benefits. Medicare believes that contracting with quality health plans helps better manage retiree health benefits. So it pays MA plans to maintain closer contact with retirees – something Medicare cannot do for more than 50 million retirees in America.

If you are covered by Medicare, these MA plans are just a different way to have Medicare coverage at a cheaper premium. MA plans offer familiar benefits for lower costs than a traditional health plan.

City retirees and their eligible dependents can choose from five health-benefits plans, including the HMO Blue Texas HMO and PPO plans.

You have the choice of three MA plans

- ▶ **Texas HealthSpring** offers HMO-type benefits to Medicare-covered retirees, primarily in southeast and east Texas. The network includes Kelsey-Seybold, Sadler Clinic and Renaissance doctors from which to select a PCP.
- ▶ **TexanPlus** offers HMO-type benefits to Medicare-covered retirees in the southeast Texas and Dallas areas. The network includes Kelsey-Seybold and Heritage doctors from which to select a PCP.
- ▶ **Aetna Private-Fee-for-Service** offers copayment benefits for most services in all 50 states. Any doctor and hospital that accepts Medicare assignment can participate. You seek care from any doctor who agrees to Aetna's terms of participation.

Insider's tip

If you don't want to change plans, don't do anything unless you are a Medicare-covered PPO participant and you go to Kelsey-Seybold. Then, you will need to choose a new doctor or change plans. See page 3 for information.



New plays for 2009

- Proton pump inhibitors and cholesterol-lowering statins have been added to the step-therapy feature for the HMO and PPO. See page 4 for more information.
- Specialty drugs are now only available to HMO and PPO members exclusively through the Triessent Specialty Drug Program. See page 4 for more information.
- As of May 1, retirees may not add dependents to their medical or dental plan. See page 16 for details.
- Your contributions to the HMO and PPO plan will change. MA rates will stay the same. See pages 7-8 for details.

Here's what this means to retirees:

- ▶ Your contribution for health coverage in an MA plan for one person is only \$10 to \$61 per month. Compare that to the new \$166 cost per month to enroll in the HMO and \$507 in the PPO.
- ▶ Copayments are 25 - 70 percent lower for a visit to the PCP and specialist.
- ▶ Most other copayments are lower, as you can see from the chart on page 11.
- ▶ The plan design is familiar to you.
- ▶ You can get better than Medicare Part D drug benefits from these plans.
- ▶ There is no Medicare Part D premium.
- ▶ You can join an MA plan now, and your dependents can remain in the HMO or PPO.
- ▶ You can enroll in a city-sponsored MA plan on the first day of any month in 2009. If the MA plans do not meet your needs, you can re-enroll in the HMO or PPO within 90 days of your enrollment in the MA plan, or on Jan. 1 or May 1, 2010.

Insider's tip

Take time to research these money-saving plans. You can't lose. See pages 11-14 to help you make a decision.



3 MA plan highlights

Important note for Medicare-covered PPO members seeing Kelsey-Seybold doctors

Due to the continuing gap between Medicare reimbursement and medical costs, effective Jan. 1, 2009, Kelsey-Seybold no longer provides services to PPO members covered by Medicare. If you are a Medicare-covered PPO member who seeks health care through Kelsey-Seybold, you will need to find a new doctor in the PPO directory, or you will have to change to the HMO or one of the MA plans. Kelsey-Seybold will continue to provide services to members in Texas HealthSpring, TexanPlus and HMO Blue Texas HMO.

Spotlight: Considering Aetna PFFS?

Here are some questions for your doctor if you are considering Aetna PFFS.

1. Do you accept Aetna's Medicare Advantage Private-Fee-for-Service plan?
2. Do you accept Medicare Assignment?
3. Do you balance-bill?
4. Will you read the terms and conditions of participation and agree to be a deemed provider through Aetna?

Reconfirm the doctor's participation at the time of your appointment. If the doctor treats you, he/she has agreed to Aetna's terms and is a deemed provider.

MA plan highlight reel

You can choose from three all-star MA plans that will all cost you less than \$62 per month per member. TexanPlus and Texas HealthSpring offer benefits similar to those provided by HMO Blue Texas HMO. The Aetna PFFS plan provides benefits that require more thought on your part before making an appointment but will provide great savings – especially if you live outside of the service areas. Below is a summary of each plan, but be sure to see the comparison chart on page 11 for more details.

See pages 12-14 for tools to help you decide which plan is right for you.

Here's more about your three choices:

Aetna Private-Fee-for-Service plan

Aetna PFFS plan includes thousands of doctors but has no network or directory, so you will need to contact your doctor's office and ask the questions in the box to the left to ensure your doctor will agree to participate in the plan. Below are the Aetna PFFS highlights:

- ▶ About 96 percent of doctors in the US can become part of the Aetna PFFS plan — they must accept Medicare assignment and agree to Aetna's terms and conditions.
- ▶ You do not need a primary care physician, but it is recommended you have one. No referrals are needed for specialists.
- ▶ Precertification for certain services is recommended but not required.
- ▶ Medicare Part B drugs are covered at 100 percent.
- ▶ Worldwide emergency care is available.
- ▶ One free routine hearing exam per year; \$500 reimbursement on hearing aids every 36 months.
- ▶ One free routine eye exam per year. Discounts on frames and lenses.
- ▶ Membership discounts in GlobalFit Health Clubs.

TexanPlus

TexanPlus is a great savings opportunity for retirees who live in Houston, southeast Texas and Tarrant, Dallas and Rockwall counties:

- ▶ TexanPlus includes established physician networks, including Kelsey-Seybold, Heritage, Memorial, Katy and CyFair doctors, in 15 Texas counties. See service areas on page 5.
- ▶ You must have a primary-care physician, and your PCP must refer you to network specialists.
- ▶ Medicare Part B drugs are covered with a 20 percent coinsurance, to \$1,500. After you have paid \$1,500, TexanPlus will pay for Part B drugs at 100 percent.
- ▶ Extra benefits include discounts on fitness memberships, hearing exams, dental services, eye exams and lenses.
- ▶ There is a one-time \$500 reimbursement on a hearing aid.

Texas HealthSpring

Texas HealthSpring is a great savings opportunity for those who live in Houston, southeast and east Texas, and parts of the Valley:

- ▶ Texas HealthSpring includes established physician networks, including Kelsey-Seybold, Renaissance, Sadler, Memorial and independent doctors in 25 Texas counties. See service areas on page 5.
- ▶ You must have a primary -care physician, and your PCP must refer you to network specialists.
- ▶ Medicare Part B drugs are covered with a 15 percent coinsurance, to \$1,000. After you have paid \$1,000, Texas HealthSpring will pay for Part B drugs at 100 percent.
- ▶ Worldwide emergency care is available.
- ▶ Extra benefits include free health club membership for Silver Sneakers, discounts for hearing aids and dental services.
- ▶ Texas HealthSpring also provides up to 30 free rides (15 round trips) to the doctor, pharmacy or hospital per year.

Enrollment options

If you don't want to make any changes, don't do anything. Your coverage will remain in effect until you make a change. During this enrollment, your choices are:

- Elect an MA plan
- Your dependent elects an MA plan
- Elect an MA plan and your dependent stays in the HMO or PPO plan
- Return to the HMO or PPO now, or wait until Jan. 1, 2010

Enrollment Options					
If you are currently enrolled in:	You may enroll in one of these plans during this enrollment:				
	Aetna PFFS	TexanPlus	Texas HealthSpring	HMO	PPO
HMO	yes	yes*	yes*	-	yes
PPO	yes	yes*	yes*	yes*	-
Texas HealthSpring	yes	yes*	-	yes*	yes
TexanPlus	yes	-	yes*	yes*	yes
Aetna PFFS	-	yes*	yes*	yes*	yes

*If you live in the plan's service area.



5 MA plan highlights

Service areas

Like any thriving league, the MA plan service areas expand each year. Check the maps below to see if your county is in one of the service areas authorized by Medicare for Aetna, TexanPlus and Texas HealthSpring. Most counties include all zip codes.

As you know, the HMO Blue Texas service area spans 220 counties in Texas. The following counties are not in the service area: Archer, Bandera, Baylor, Clay, Coryell, DeWitt, Dimmit, Duval, Edwards, Falls, Foard, Frio, Gillespie, Goliad, Hamilton, Hardeman, Jim Hogg, Kerr, Kinney, Knox, La Salle, Lampasas, Limestone, Live Oak, Llano, McMullen, Maverick, Real, Uvalde, Webb, Wichita, Wilbarger, Zapata, Zaval.

The PPO offers doctors in 50 states and Puerto Rico.

If TexanPlus and Texas HealthSpring expand into other counties, we will notify you about enrollment opportunities. Aetna PFFS includes all counties in all 50 states.

Insider's tip

Going beyond the playing field? Aetna and Texas HealthSpring cover emergencies worldwide. TexanPlus covers emergencies only in the United States.



TexanPlus counties are:

Brazoria, Chambers, Fort Bend, Galveston zip codes: 77510, 77511, 77517, 77518, 77539, 77546, 77549, 77563, 77565, 77568, 77573, 77574, 77590, 77591, 77592, Austin, Dallas, Harris, Hardin, Jefferson, Liberty, Montgomery, Orange, Rockwall, Tarrant and Waller

Texas HealthSpring counties are:

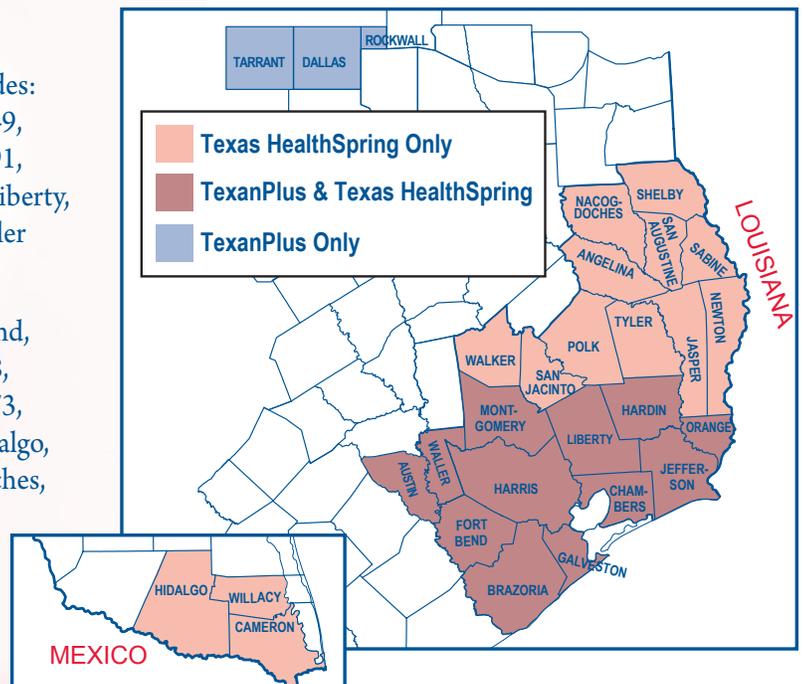
Angelina, Brazoria, Cameron, Chambers, Fort Bend, Galveston zip codes: 77510, 77511, 77517, 77518, 77539, 77546, 77549, 77563, 77565, 77568, 77573, 77574, 77590, 77591, 77592, Harris, Hardin, Hidalgo, Jasper, Jefferson, Liberty, Montgomery, Nacogdoches, Newton, Orange, Polk, Sabine, San Augustine, San Jacinto, Shelby, Tyler, Walker, Waller and Willacy

Spotlight: Who's on the roster?

For a complete list of providers in each MA plan network, use the contact information on page 1 to request a provider directory.



TexanPlus & Texas HealthSpring Service Areas



What are your options during open enrollment?

- ▶ Enroll in an MA plan for yourself only.
- ▶ Enroll in an MA plan for yourself and your Medicare-covered dependents.
- ▶ Enroll in an MA plan for a Medicare-covered family member and leave another Medicare- or non-Medicare covered family member in the HMO or PPO plan.
- ▶ Return to the HMO or PPO within 90 days of MA-plan enrollment if you are not satisfied.
- ▶ After 90 days, your next opportunity to return to the HMO or PPO will be January 1 or May 1, 2010.
- ▶ Do nothing and remain in the plan you are in now. However, if you are a Medicare-covered PPO participant and you go to Kelsey-Seybold, you will either need to choose a new doctor or change plans. See page 3 for more information.

Savings? Show me the money!

Savings come from lower monthly contributions and lower time-of-service payments. Since May 1, 2005, more than 44 percent of eligible plan members have signed up and are projected to save nearly \$4 million combined in premiums. That doesn't count what they've saved in copayments. Here's how the savings stack up:

- ▶ If you enroll in one of the MA plans, you could save 60 - 94 percent over what you would pay for HMO coverage and 89 - 98 percent over what you would pay for PPO coverage.
- ▶ You get lower out-of-pocket costs on many services:
 - ▶ 25 - 70 percent on doctor visits
 - \$200 - \$500 on hospital admissions
 - \$100 on emergency-room visits
 - 5 - 10 percent on durable medical equipment, like wheelchairs and walkers
 - 100 percent coverage for home health visits
 - Free rides to the doctor if you enroll in Texas HealthSpring: up to 15 round trips to doctors, hospitals and pharmacies per year

How can these benefits cost less than what I've been paying?

Medicare has delegated most of the responsibility for providing benefits for more than 50 million beneficiaries to managed-care companies, which can coordinate your care better than Medicare alone and can perform better analysis on prescription interaction. This means you can receive more personalized service and they can better manage the unique medical needs of the senior population.

The federal government is still responsible for making sure each Medicare beneficiary gets full Medicare benefits. With MA plans, employers can increase the benefit and provide benefits that are better than Medicare alone.

Thoughts from a fellow retiree ...

Johnnie Adams: retired from Aviation in 2000, a member of the Aetna Private-Fee-for-Service plan
 "They've been there for me for all my medical needs. I have a serious condition, so having access to the mail-order prescriptions program has made life a lot easier. With Aetna, it's simple. I don't pay any more money than I have to."

Spotlight: A prescription for saving

Want to save even more? Wal-Mart, Sam's Club, Target, H-E-B, Walgreens, Randalls and Kroger offer 30-day supplies of hundreds of generic medications for just \$4 or \$5. That's less than half of your prescription drug copayment, saving you up to \$72 a year per discounted medication. Discounted drugs include those for asthma, depression, diabetes, heart disease and glaucoma among many others.

1 Contributions

Contributions highlight reel

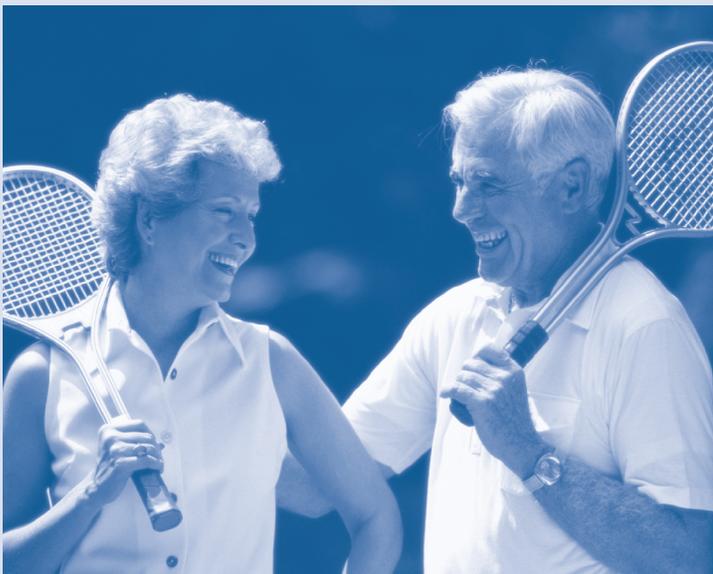
Health care, like sports, is a big-bucks world. Through carefully constructed contracts with BlueCross BlueShield of Texas and the MA plans, we hope to hold health-care expenditures to \$293 million in FY10. But there's no halftime break in keeping the plans affordable. Each 1 percent we don't spend now – \$2.9 million – means lower increases next year, keeping the plans affordable longer.

Each retiree in an MA plan for 12 months in 2009 will save the city about \$3,400, for a total of \$7.9 million. That translates into real money for you, because those same members can save more than \$3.9 million in premiums collectively.

Your contribution for the Medicare Advantage plans is still just 25 percent of the premium. The city will contribute 75 percent of the cost. You have three choices that cost less than \$62 per person per month – an excellent price for comprehensive health coverage. The contributions for May 2009 are listed below.

The Medicare Advantage plans offer distinct financial advantages. If you are a PPO member living outside Texas paying \$507 per month, you should consider the more-affordable Aetna PFFS plan. If you are an HMO member, you have 3 affordable options for health coverage. Keep reading and learn how to calculate your savings.

We still offer Plan A for the 12 retirees enrolled. You do not need to do anything to remain enrolled.



- ▶ The contribution strategy for retirees under age 65 in the HMO will change May 1. Plan utilization shows that between March 2005 and September 2008, medical claims costs for retirees under age 65 were on average 42 percent higher than active employees and retirees on Medicare. Over the next three years, retirees in the HMO under age 65 will pay an increased percentage, from 33 percent to 38 percent on May 1 and 48 percent by May 2011 in two steps.
 - ▶ HMO contributions will increase 8 to 9 percent for Medicare-eligible members.
 - ▶ The PPO contributions will increase 2 to 4 percent for Medicare-eligible members.
 - ▶ Aetna, TexanPlus, and Texas HealthSpring rates are the same.
 - ▶ Retiree-only with Medicare will pay the following monthly rates:
 - ▶ **\$166.18** for the HMO
 - ▶ **\$506.60** for the PPO
 - ▶ **\$61.00** for Aetna
 - ▶ **\$9.76** for TexanPlus
 - ▶ **\$18.00** for Texas HealthSpring
- See page 8 for a chart of all retiree contributions.

Contribution chart

Use the chart below to find the contribution for the coverage you elect. First, look for the category in the left-hand column that fits your situation, then select the corresponding rate for the plans of your choice. If you have family members who remain in the HMO or PPO, select the rate based on the age of the oldest family member keeping the HMO or PPO plan. Your total monthly contribution is the sum of the rate for HMO or PPO, plus the rate for Aetna, TexanPlus or Texas HealthSpring.

Family Coverage Category		Monthly Retiree Contributions				
		Aetna	TexanPlus	Texas HealthSpring	HMO*	PPO*
Retiree Only (Has Medicare)						
1	Retiree elects an MA plan	\$61	\$9.76	\$18	\$166.18	\$506.60
Retiree + One (Both have Medicare)						
2	Both elect the same MA plan	\$122	\$19.52	\$36	\$324.12	\$713.14
3	Each elects a separate plan	\$61	\$9.76	\$18	\$166.18	\$506.60
Retiree + One (Only one has Medicare)						
4	One elects an MA plan / one keeps city plan (less than 65)	\$61	\$9.76	\$18	\$332.46	\$1,089.78
5	One elects an MA plan / one keeps city plan (age 65+)	\$61	\$9.76	\$18	\$185.36	\$580.40
Retiree + Family (Two have Medicare)						
6	Two elect the same MA plan / one keeps city plan (less than 65)	\$122	\$19.52	\$36	\$515.28	\$1,326.02
7	Two elect the same MA plan / two keep city plan (both are less than 65)	\$122	\$19.52	\$36	\$185.36	\$580.40
8	Two elect the same MA plan / two+ keep city plan (all are less than 65)	\$122	\$19.52	\$36	\$546.98	\$1,499.42
9	One elects an MA plan / two keep city plan (1 is 65+, 1 is less than 65)	\$61	\$9.76	\$18	\$853.00	\$2,105.54
10	One elects an MA plan / two+ keep city plan (1 is 65+, 2 are less than 65)	\$61	\$9.76	\$18	\$332.46	\$1,089.78
Retiree + Family (Two with Medicare + one 65+ w/o Medicare)						
11	Two elect the same MA plan / one keeps city plan (age 65+)	\$122	\$19.52	\$36	\$515.28	\$1,326.02
12	Two elect the same MA plan / two keep city plan (1 is 65+, 1 is less than 65)	\$122	\$19.52	\$36	\$503.62	\$816.36
Retiree + Family (Three w/ Medicare)						
13	Three elect an MA plan	\$183	\$29.28	\$54	\$515.28	\$1,326.02
14	Three elect the same MA plan / one keeps city plan (1 is less than 65)	\$183	\$29.28	\$54	\$185.36	\$580.40
15	Three elect the same MA plan / two keep city plan (both are less than 65)	\$183	\$29.28	\$54	\$546.98	\$1,499.42
16	Three elect the same MA plan / two+ keep city plan (all are less than 65)	\$183	\$29.28	\$54	\$853.00	\$2,105.54
17	Two elect the same MA plan / one keeps city plan (age 65+)	\$122	\$19.52	\$36	\$166.18	\$506.60
18	Two elect the same MA plan / two keep city plan (1 is 65+, 1 is less than 65)	\$122	\$19.52	\$36	\$332.46	\$1,089.78
19	Two elect the same MA plan / two + keep city plan (1 is 65+, 2 are less than 65)	\$122	\$19.52	\$36	\$565.14	\$1,451.32
20	One elects an MA plan / two keep city plan (2 are 65+)	\$61	\$9.76	\$18	\$324.12	\$713.14
21	One elects an MA plan / two+ keep city plan (2 are 65+, 1 is less than 65)	\$61	\$9.76	\$18	\$515.28	\$1,326.02
Retiree + Family (Only one has Medicare)						
22	One elects an MA plan / two keep city plan (both are less than 65)	\$61	\$9.76	\$18	\$565.14	\$1,451.32
23	One elects an MA plan / two+ keep city plan (all are less than 65)	\$61	\$9.76	\$18	\$546.98	\$1,499.42
24	One elects an MA plan / two keep city plan (1 is 65+, 1 is less than 65)	\$61	\$9.76	\$18	\$853.00	\$2,105.54
25	One elects an MA plan / two+ keep city plan (1 is 65+, 2 are less than 65)	\$61	\$9.76	\$18	\$1,057.62	\$1,731.38
					\$1,813.04	\$2,154.98

* Rates displayed for the HMO and PPO are for participants who do not use tobacco products. If the participant or a family member uses tobacco products, the rate is \$25 higher per month. This additional amount does not apply to TexanPlus, Texas HealthSpring, or Aetna PFFS.

9 Prescription plan highlights

Prescription highlight reel

Everyone talks about the importance of prescriptions and their high cost. Some of your friends and family members have hit the “donut hole.” But not you! The city’s 5 health-plan choices provide seamless coverage over that gap. All 5 plans offer benefits much more generous than Medicare Part D.

You enjoy one of the richest prescription benefits around – fixed copayments for covered prescriptions. Those benefits are costly. We expect to spend more than \$46 million in prescriptions in 2009. That’s more than 18 percent of the total health-plan cost. Half of that cost is for retiree prescriptions.

The chart to the right shows prescription-coverage costs for all 5 city health plans. Use this chart, the list of prescriptions on page 10, and the formulary list from each plan to determine which prescription benefits are best for you. Many of your fellow retirees say this is the most important factor when considering a new plan.

Two new step-therapy categories to help you win over high prices

As of May 1, two additional categories of medications will be added to step therapy. This saves you money by requiring your doctor to prescribe generic versions of the medicine before moving on to more-expensive brand-name drugs. Remember, generics are copies of brand-name drugs, identical in dosage, safety, strength, quality, performance and intended use. And, they only cost you \$10 for a 30-day supply at your local pharmacy, or \$20 for a 90-day supply through Prime Therapeutics mail order.

Proton pump inhibitors for GERD, heartburn or stomach ulcers: If you take a proton pump inhibitor, such as Nexium, Prevacid or Protonix, your doctor must prescribe a generic PPI before you can receive a brand-name. **This is the case even if you are currently taking a PPI. This will begin with the first refill you get after May 1.** If the generic fails to sufficiently treat your condition, your doctor can request authorization to step you up to another generic or brand-name PPI.

Statins for high cholesterol: Members who begin taking a statin will be required to start with a generic statin. If the generic fails to sufficiently lower your cholesterol, your doctor can step you up to a preferred brand-name statin.

Prescription copayments at a participating pharmacy

	Aetna	Texan-Plus	Texas Health-Spring	HMO	PPO
	31-day supply		30-day supply		
Generic	\$10	\$10	\$10	\$10	\$10
Preferred brand	\$30	\$30	\$30	\$30	\$30
Non-preferred	\$45	\$45	N/A	\$45	\$45
Specialty drugs	\$45	\$45	\$45**	\$45	\$45
	90-day supply				
Generic	\$20	\$20*	\$20	\$20	\$20
Preferred brand	\$60	\$60*	\$60	\$60	\$60
Non-preferred	\$90	\$90*	N/A	\$90	\$90
Specialty drugs	\$90	\$90*	\$90**	\$90***	\$90***
	Special copayments				
Medicare Part B	\$0	20% up to \$1,500	15% up to \$1,000	Same as non-preferred brand	

*TexanPlus does not have a mail-order option. You can fill a 90-day prescription for a 2-month copayment at your local network pharmacy.
 ** Prior authorization is required.
 *** Specialty-prescription drugs must be obtained through the Triessent Specialty Drug Program.

Members who currently take a brand-name statin, such as Lipitor or Vytorin, are grandfathered and may continue to take that medication. BCBSTX can change the tier in which any brand-name drug appears, increasing or decreasing your copayment.

Triessent will now be your one-stop specialty drug pharmacy

If you take a high-cost specialty drug, such as Enbrel or Tracleer, you will soon receive a letter from Triessent asking that you call and sign up for the specialty-drug program. Once you have signed up, Triessent each month will send a 30-day supply of the specialty medication to your home or your doctor’s office. The 30-day supply will cost you just \$30 or \$45. By sending you a 30-day supply, Triessent minimizes waste from discontinued therapy or dosage changes. A representative will call you to coordinate refills. If you do not order your specialty drugs through Triessent, you will be able to get just one refill at your local retail pharmacy. After that, refill requests will be denied. Call 888-216-6710 to sign up for the program.

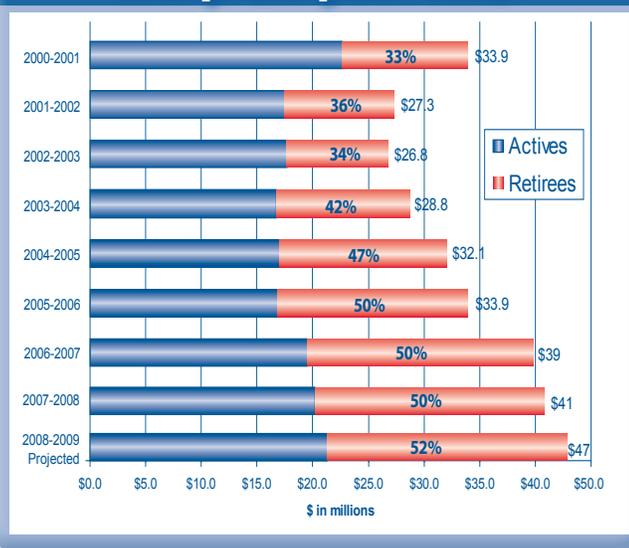
Specialty drugs are used to treat many different ailments, including cancer, cystic fibrosis, hemophilia, HIV, Hepatitis C, and multiple sclerosis. These drugs can cost thousands of dollars a month for a single prescription.

Top 10 retiree prescriptions by amount spent

Drug Treatment/Usual dosage (retail cost source)	Copayment				Retail cost 30-day supply
	Aetna	TexanPlus	Texas HealthSpring	HMOBTX	
1 Nexium GERD; 50 - 40 mg capsules; (Costco)	\$30**	\$30	\$45	\$30*	\$265
2 Lipitor Cholesterol; 30 - 20 mg tablets; (CVS)	\$30	\$30	\$30	\$45*	\$135
3 Enbrel Rheumatoid Arthritis; (BCBSTX)	\$45	\$45**	\$45**	\$30*	\$2,333
4 Actos Diabetes; 30 - 30 mg tablets; (CVS)	\$30	\$30	\$30	\$30	\$231
5 Diovan High Blood Pressure; 30 - 80 mg tablets; (CVS)	\$30	\$30	\$30	\$30*	\$75
6 Prevacid GERD; 30 - 15 mg capsules; (CVS)	\$30**	not covered	\$45	\$45*	\$182
7 Lantus Insulin; (BCBSTX)	\$45	\$30	\$30	\$30	\$160
8 Humira Rheumatoid Arthritis; (BCBSTX)	\$30	\$45**	\$45**	\$30*	\$2,312
9 Tracleer Primary Pulmonary hypertension; (BCBSTX)	\$45	\$45**	\$45**	\$30*	\$4,480
10 Revlimid Biotech cancer treatment; (BCBSTX)	\$45	\$45**	\$45**	\$30*	\$6,365

NOTES: Retail costs are listed on PharmacyChecker.com under Costco or CVS. Cost for drugs listed as BCBSTX are those paid by HMOBTX. Enbrel, Humira, Tracleer and Revlimid are specialty drugs; and under the BCBSTX HMO and PPO must be purchased through Triessent. *Step-therapy drug. **Requires prior authorization.

Retiree Rx costs as a percentage of total prescription costs



Triessent, a specialty pharmacy provider that manages specialty drug programs and services for the HMO and PPO, allows a more cost-effective purchase of these expensive medications. Go to www.bcbstx.com for a complete list.

What is a formulary?

A formulary is a list of covered drugs. Each plan's formulary is different and can change each year. The drug formulary established by Medicare for 2009 serves as the model for Medicare Advantage formularies. To find out which drugs are in each of the three tiers, visit these Web sites:

Spotlight: Mail order saves you money

If you are on maintenance medication, you should try the mail-order drug plan. It's convenient and saves you money. You can order over the phone or online and receive a three-month supply of your medication for two months copayment.

Are you a TexanPlus member? Get the same great savings at a local network pharmacy. Just talk to your doctor about writing a new prescription for a 90-day supply and take it to your local pharmacy to receive the same savings as the plans with mail order.

- **Aetna PFFS** - www.aetnamedicare.com
- **TexanPlus** - www.sctexas.com
- **Texas HealthSpring** - www.texashealthspring.com
- **HMO Blue Texas** - www.bcbstx.com

Formularies may change each January and May.

If the cost of the prescription is less than the copayment, you pay the lower amount.

11 Make your game plan

What's the best game plan for your team?

To help you decide the best plan for you, the following charts present several considerations in choosing a new plan.

1. Comparison of network features

Below are the various costs associated with the city medical plans. Be sure to consider your unique needs in determining which plan is best for you and your Medicare-eligible dependent.

Plan feature	What you pay				
	Aetna	TexanPlus	Texas HealthSpring	HMO	PPO in-network
Deductible (Individual/Family)	N/A	N/A	N/A	N/A	\$200 / \$600
PCP office visit copayment	\$15	\$10	\$10	\$20	\$30
Specialist office visit copayment	\$15	\$25	\$25	\$45	\$50
Routine physical copayment	\$0	\$0	\$0	\$0	\$0
Well woman/man exam	\$0	\$0	\$0	\$0	\$0
Inpatient copayment/coinsurance	\$0	\$300	\$275	\$500	\$500 + 20%
Emergency room	\$50	\$50	\$50	\$150	\$150 + 20%
Ambulance	\$15	\$50	\$100	\$100	20%
Outpatient surgery	\$0	\$125 / \$175	\$200	\$200	20%
Prescriptions participating pharmacy	(31-day supply)		(30-day supply)		
Generic	\$10	\$10	\$10	\$10	\$10
Preferred brand	\$30	\$30	\$30	\$30	\$30
Non-preferred brand	\$45	\$45	N/A	\$45	\$45
Specialty drugs	\$45	\$45	\$45**	\$45	\$45
Prescriptions (90-day supply) participating pharmacy					
Generic	\$20	\$20*	\$20	\$20	\$20
Preferred brand	\$60	\$60*	\$60	\$60	\$60
Non-preferred brand	\$90	\$90*	N/A	\$90	\$90
Specialty drugs	\$90	\$90*	\$90**	\$90***	\$90***
Prescriptions special copayments					
Medicare Part B	\$0	20% up to \$1,500	15% up to \$1,000	Included under "Non-preferred brand" copayments listed above	

*TexanPlus has discontinued the mail order option; however, you can fill a 90-day prescription for a 2-months copayment at your local network pharmacy.

** Prior authorization required

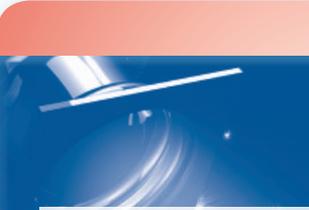
*** Specialty-prescription drugs must be obtained through the Triessent Specialty Drug Program.

2. Comparison of network physicians

In TexanPlus, Texas HealthSpring and HMO Blue Texas, you must select a PCP to coordinate your health care. It is not necessary to select a PCP to direct your care in the Aetna PFFS plan, but it is recommended that you do so. To see if your preferred physicians are in one of these networks, use the contact information on page 1.

Physician Group	Aetna	TexanPlus	Texas HealthSpring	HMO Blue Texas	
Brazosport Regional Health System	Most physicians accepting Medicare and Aetna PFFS terms of participation.		X		
Clear Creek Clinic			X		
CyFair IPA		X			
Family Practice Associates				X	
Heritage		X			
North Central LPO (Formerly HispanicCare)		X			
Independent Physicians				X	X
Integranet		X			
Katy IPA		X			
Kelsey-Seybold Clinic		X	X	X	X
Memorial Clinical Associates		X		X	
Northwest Diagnostic Clinic		X			
Pasadena LPO (Formerly SEMNet)		X			
Physicians of East Texas				X	
Renaissance				X	X
Sr. SelectCare Clinic		X			
Sadler Clinic				X	X
Southeast Regional LPO		X			
Village Family Practice	X		X		
Total PCPs	About 96% of all U.S. doctors accept Medicare	478	1,080	1,324	
Total Specialists		1,668	1,476	8,412	
Total Physicians		2,146	2,556	9,739	

Physician count as of 12/31/08.



Spotlight: Free ride

Texas HealthSpring takes members for a ride – a free ride to the doctor’s.

Thoughts from a fellow retiree ...

Bob Bailey: retired from Finance & Administration in 1996

“I’ve been really happy with Aetna. I live down in Rockport and its service has been great, even down here. They’re prompt, and I have nothing but the best to say about them.”

13 Make a game plan

3. Comparison of network hospitals

Listed below are just some of the hospitals in the TexanPlus, Texas HealthSpring and HMO Blue Texas networks. For a complete list, check the Web sites or call one of the numbers in the contact box on page 1. If a hospital accepts Medicare and Aetna terms and conditions, it will be in the Aetna Private-Fee-for-Service plan.

In an emergency, you may seek treatment at any hospital, under any plan; however, you may be transferred to a network facility as soon as your condition is stabilized.

Hospital	Aetna*	TexanPlus	Texas HealthSpring	HMO Blue	
Angleton Danbury Medical Center	Most hospitals accepting Medicare and Aetna PFFS terms of participation.	X		X	
Bayshore Medical Center		X	X		
Brazosport Regional Health System		X			
CHRISTUS St. John		X	X	X	
Clear Lake Regional Medical Center		X	X	X	
East Houston Medical Center		X	X		
Houston Northwest Medical Center		X	X	X	
Kingwood Medical Center		X	X	X	
Mainland Medical Center		X	X		
M.D. Anderson Cancer Center					X**
Memorial Hermann Hospital Syst.			X (8 facilities)	X	X
Methodist Hospital			X	X	X
Park Plaza			X	X	X
St. Joseph Medical Center			X	X	X
St. Luke's - Woodlands			X (Kelsey only)	X (Kelsey only)	X
St. Luke's Episcopal Hospital			X (Kelsey only)	X (Kelsey only)	X
Spring Branch Medical Center			X	X	X
West Houston Medical Center			X	X	X
Women's Hospital of TX			X (Kelsey only)	X	X

* Most hospitals accept Medicare. Check the hospital where you live.

** By referral only.

Thoughts from a fellow retiree ...

Mary Palomo: wife of John Palomo (deceased), who retired from Police in 1988, a TexanPlus plan member

"I like that I can go to one place for all my needs. They are convenient and friendly. Since my husband passed away, they've still offered the same great care."

Thoughts from a fellow retiree ...

Kenneth Dunlap: retired from Police in 1988, a TexanPlus plan member

"They have great service for the price, and that's important, especially today. The prescription service is great."

4. Extra services

Listed below are value-added services for MA plans. When making your health-care decision, take into account these unique bonus features.

Extra Services	Aetna	TexanPlus	Texas HealthSpring
Free rides to appointments	N/A	N/A	Up to 30 free rides (15 round trips) per year to doctor appointments, hospitals and pharmacies in conjunction with doctor visits.
Fitness programs for seniors	Membership discounts through GlobalFit for health clubs. Weight management discount program through Jenny Craig. Call 800-298-7800.	25-50% membership discounts to participating health clubs through Careington.	Silver Sneakers - free health club membership and fitness classes.
Discounted hearing services	One routine hearing exam free per year.	30% discount through HearPO on hearing exams.	N/A
Hearing aids	\$500 reimbursement on hearing aids every 36 months. Contact Member Services at 866-785-7337 for additional information.	One-time \$500 cash payment per covered member for the purchase of a hearing aid. Up to 62% savings on hearing aids through HearPO at participating providers. Discounts on repairs and batteries.	Up to a 30% discount for hearing aids from selected providers.
Discounted dental services	N/A	20-50% savings on most dental procedures through Careington. 20% discount on specialty services, cosmetic dentistry and teeth whitening.	20-50% savings on most dental procedures through Careington. 20% discount on specialty services, cosmetic dentistry and teeth whitening.
Discounted vision services	One routine eye exam free per year. Discounts on frames and lenses at participating provider locations. Call 800-793-8616. For discounts on Lasik procedures, call 800-422-6600.	\$25 for an annual eye exam through EyeMed; and discounts on frames and lenses Check provider directory for participating provider locations.	N/A
ElderCare services	N/A	Services provide wellness assessments, identification of elder-care needs, ongoing support in maintaining an independent quality of life. Discounts on additional care alternatives.	N/A
Extra customer service	N/A	N/A	Members are assigned a Personal Assistant Liaison (PAL) to guide them to better understand benefits and help with resolving any issues. Call your PAL at 866-897-0828.
Newsletters	Quarterly member newsletter	Bimonthly member newsletter	Quarterly member newsletter
Disease management	Aetna conducts a health risk assessment for every new member by personalized phone call outreaches. Plan provides care management with dedicated case managers specializing in geriatric case management.	Each new member receives an initial health risk assessment. The health care program helps manage diabetes, CHF, coronary artery disease and COPD.	Health-care communications and interventions provided to promote better health, fewer complications and lower health care costs. Examples: diabetes, CHF, asthma, etc.
Wellness services	Informed Health Line - provides a 24-hr number, 800-556-1555 to get information on a variety of health topics. IntelliHealth - provides online features to help educate and promote wellness.	24/7 nurse support line, plus a dedicated team of nurses, a pharmacist and health-care professionals who provide support as you consider lifestyle changes to improve your health.	Immunizations, well-woman / well man exams, bone mass measurement, colorectal screening and smoking cessation programs. Livingwell health center at St. Joseph's Hospital.
Emergency coverage	Worldwide	U.S. only	Worldwide

15 *Want to join the game?*

You may change plans during this annual open enrollment (for May, 1), or the MA plan annual enrollment in December (for Jan. 1), or you may elect to join an MA plan on the first of any month. For coverage to be effective on the first of the next month, HR's benefits division must receive your application before the end of the previous month.

Electing a Medicare Advantage plan

- ▶ Request an enrollment packet from Aetna, TexanPlus or Texas HealthSpring.
- ▶ Enrollment forms will be in the packet.
- ▶ Each person must complete, sign, date and return all copies of an Enrollment Application and Statement of Understanding for the plan you elected.
- ▶ You must also complete the City of Houston MA Plans Enrollment Form. This form will keep your dependents' coverage in the HMO or PPO in place, and it will help ensure you pay the correct health-care premium. Keep the last page for your records.
- ▶ Use the city of Houston return, postage-paid envelope to return all of your forms to the benefits division before April 30. Forms received after April 30 will be effective on the 1st of the month after they are received. If you don't use the envelope, the address is:

City of Houston
Human Resources Department, Benefits Division
P.O. Box 248
Houston, TX 77001

Disenrolling from a Medicare Advantage plan

You may choose to disenroll from an MA plan at the first of any month. This includes changing from one MA plan to another. Here's how to disenroll from an MA plan:

- ▶ Decide if your dependent or you want to elect a different city-sponsored MA plan, or if you want to re-enroll in the HMO or PPO plan, you can do so on May 1, 2009 or within 90 days of MA-plan enrollment.
- ▶ Each person who wants to disenroll from an MA plan must complete a City of Houston Medicare Advantage Disenrollment Form.
- ▶ The retiree must complete a City of Houston Retiree Medical Election Form to reinstate HMO, PPO or another MA plan coverage for any dependents or themselves.
- ▶ Request these forms from the HR benefits division, 888-205-9266 or 713-837-9400. If a person wants to elect another MA plan, request the enrollment application from the benefits division.
- ▶ Send all completed forms to:

City of Houston
Human Resources Department, Benefits Division
P.O. Box 248
Houston, TX 77001.

The benefits division must receive your forms by the end of the month for coverage to be effective on the first of the next month.

Spotlight: Need help?

If you need help with an MA plan, attend one of the enrollment meetings listed on the back of this guide, or contact the HR benefits division:

611 Walker, 4th floor
Houston, TX 77002
Monday-Friday, 8 a.m. – 5 p.m.
713-837-9400
888-205-9266
You do not need an appointment.

Thoughts from a fellow retiree ...

Geneva Luna: wife of Roberto Luna, who retired from Police in 1992, a Texas HealthSpring plan member
“The doctors have been great, and Texas HealthSpring has excellent customer service. A nurse visits my husband once a month, and we've been really happy with their services.”

Eligibility

You are eligible for coverage as a retiree under the benefits plans if you were covered when you retired and have been continuously covered by the city since retirement. If both you and your spouse retired from the city, you may be covered as a retiree or as a dependent — but not both. Dependents may be enrolled under only one parent or guardian.

The eligibility criteria remain the same. Your eligible dependents are defined as one of the following:

- ▶ Your legal spouse
- ▶ Unmarried natural or adopted children to age 25, if they qualify as dependents for federal income-tax purposes
- ▶ Children to age 25 over whom you have legal guardianship or legal foster care if they qualify as dependents for federal income-tax purposes
- ▶ Grandchildren to age 25 if they qualify as your dependents for federal income-tax purposes
- ▶ Disabled dependents over age 25 who are incapable of self-sustaining employment because of mental or physical handicap. The dependent must be primarily dependent on you for more than 50 percent of financial support and covered before age 25

Insider's tip

You must continue getting your medical care from your MA plan until the plan notifies you that your coverage has ended. Although the process to terminate coverage can take up to 60 days, it is generally effective on the date that you requested on your disenrollment application. You will automatically be re-enrolled in Original Medicare.

Your HMO or PPO coverage will be effective on the date your MA plan coverage ends.



Spotlight: Review your beneficiary

It can be tough out on the playing field, so retirees who have kept \$5,000 in life insurance should take the time to review your life-insurance beneficiary. If you have had a life event such as marriage, divorce, birth, adoption or death, or if you have forgotten whom you previously designated, you may want to change your beneficiary.

The benefits division will not release the name of your current beneficiary by telephone. If you need to request a beneficiary-change form, you can call 713-837-9400 or toll free 888-205-9266.

Retiree dependent coverage

Effective May 1, rules will change for retirees covering dependents under the medical plans.

- You may keep coverage on eligible dependents already covered under one of the city's medical plans. Dependents may stay on your plan until they become ineligible according to plan rules: they turn age 25, marry, gain primary coverage under another plan, are no longer your dependent, join the armed forces, etc.
- After you retire, you may not add new dependents to the plan.
- If you are already retired, you may keep coverage on eligible dependents until they become ineligible, but you cannot add new dependents.
- The new rule applies to dependents you acquire after May 1, 2009. Dependent includes the following: spouse, natural born or adopted children, grandchildren, children under age 25 who return to dependency on you, children over age 25 who become disabled and dependent on you, etc.
- If you drop coverage on a dependent, coverage may not be reinstated.

Staying at the top of your game

In this game, it's important to stay in good shape. Use your health plans wisely – they'll help you stay healthy. They offer wellness exams, screenings, immunizations, information and management resources that cost you little or nothing. Did you know your health plan provides a \$0 copayment for well-man and well-woman screenings?



The plans also offer lots of access to wellness activities.

- ▶ With Blue Access, BlueCross BlueShield of Texas members have online access to important information about their coverage at www.bcbstx.com.
- ▶ TexanPlus and BCBSTX members have access to a 24/7 nurseline for health issues that come up when members can't reach their doctors.
- ▶ TexanPlus members get 25-50 percent off memberships to participating health clubs through Careington.
- ▶ Texas HealthSpring members get free health-club membership and fitness classes through Silver Sneakers.
- ▶ Texas HealthSpring members have access to the Livingwell Health Center at St. Joseph's Hospital, where members can get personal attention, health education, free valet parking, complimentary snacks, and attend cooking, health and fitness classes.
- ▶ Aetna PFFS members get discounts for GlobalFit membership. Call 800-298-7800 to sign up, or visit their Web site at www.globalfit.com.
- ▶ Aetna PFFS members get access to a discounted weight-management program through Jenny Craig. Call 800-965-3669 to sign up.
- ▶ Aetna PFFS members get access to an informed health line. By calling 800-556-1555 any time of the day, members can get information on a variety of health topics.

Insider's tip

How can my doctor or hospital participate in the Aetna PFFS plan?

Providers can become participants in the Aetna plan quickly and easily – there are no forms for your doctor to complete. Any doctor eligible to receive payments from Medicare can become a Private-Fee-for-Service provider. If the doctor agrees to the terms and conditions on the back of your Aetna PFFS ID card, he/she is deemed to be a participating provider. And by accepting your appointment and treating you, he/she agrees to the terms and conditions. It's quite simple.

About 96 percent of the doctors in the U.S. are eligible for Medicare payments. Most of those accept Medicare assignment, but a few do not. Even the few who do not accept Medicare assignment are eligible to participate. If your doctor does not accept Medicare assignment, he/she is allowed to balance-bill you for 15 percent over the Medicare-allowable charge for that service – meaning you will pay that 15 percent. If you enroll, Aetna will provide you with information to take to your doctor that describes the plan.

Your doctor or hospital can find out more at www.aetna.com/provweb or by calling the service-provider center at 800-624-0756.





Spotlight: Get a \$50 gift card

It's easy to get a \$50 gift card and an evaluation of your overall health: Just complete your Health Risk Assessment. Log on to www.bcbstx.com and click on "Personal Health Manager." Then click on "Health Risk Manager." The assessment is a short series of easy-to-answer questions. You'll then receive an evaluation of your overall health, along with scores on your job satisfaction, risky lifestyle choices, stress, nutrition and sleep habits.

The first time you complete the assessment and authorize its release to BlueCross BlueShield, you'll be sent a \$50 gift card to Academy in Texas or The Sports Authority for nonresidents. One card per employee/family. The card should arrive in about six weeks.

More immediately, you'll get important guideposts to making healthier lifestyle choices, improving your performance in the game. It's a good idea to complete the HRA every year, or as often as you like, but you will be eligible for the gift card only once.

Contacts

Aetna

www.aetnamedicare.com
800-307-4830

TexanPlus

www.sctexas.com
866-556-4614

Texas HealthSpring

www.texashealthspring.com
800-846-2098

HMO Blue Texas

www.bcbstx.com
713-837-9377
713-837-9448
713-837-9376

Human Resources benefits

www.houstonhumanresources.org
713-837-9400
888-205-9266

Thoughts from a fellow retiree ...

Kenneth Ashworth: retired from Building Services in 2000, a Texas HealthSpring plan member

"Texas HealthSpring has been tremendous. I feel like my wife and I are being taken care of."

Rules to Know

Enrolling

Your Medicare-covered dependents and you can each choose the MA plan that is best for you, or both of you can be covered under the same plan.

If your dependents are not eligible to participate in an MA plan, they may continue coverage under their HMO or PPO plan.

You may enroll your covered dependents in an MA plan on the first of the month after they become eligible: (1) they become covered under Medicare Parts A & B at age 65; (2) they are under age 65 but become disabled and get Medicare Parts A & B; (3) they move into the service area of TexanPlus or Texas HealthSpring; or (4) for Aetna, they live in any of the 50 states.

If you enroll in an MA plan May 1, 2009, you may elect to return to the HMO or PPO within 90 days after enrolling, or January 1, 2010.

See page 16 for new rules about retirees adding dependents after May 1, 2009.

Disenrolling

You may disenroll from your MA plan effective the last day of any month by submitting a City of Houston Medicare Advantage Disenrollment form. You must also complete a City of Houston Retiree Medical Election Form to reinstate HMO, PPO or another MA plan coverage. Request these forms from the benefits division, 888-205-9266 or 713-837-9400. You must re-enroll in the HMO or PPO within 31 days after your coverage ends in the MA plan.

You must continue getting your medical services through your MA plan until you are notified by the plan that your coverage has ended. That notice can take up to 60 days.

Primary-care physicians

Under TexanPlus and Texas HealthSpring, you must select a primary-care physician to coordinate your health care, just as in the HMO. Check each plan's provider directory. Your doctor might be in its network.

The Aetna PFFS plan allows you to select any doctor or specialist who accepts Medicare assignment and Aetna's PFFS plan. Call your doctor. He/she might already have these arrangements in place.

Returning to original Medicare

Remember, your MA plan takes the place of your Medicare and your HMO or PPO. If you re-enroll in the HMO or PPO, you are also re-enrolled in Original Medicare.

Important dates

Thursday, April 30

Enrollment forms are due for an effective date of May 1

Friday, May 1

Effective date for new plan rates

December 2009

Next open enrollment period for Medicare Advantage plans for January 2010 effective date.

1st of any month

You can elect to join an MA plan on the first day of any month. Your MA plan is effective on the first day of the month after receipt of your enrollment forms. Disenrollment from any MA plan is effective the last day of the month.

Meetings

**Tuesday, March 31
10 a.m.**

**Tuesday, March 31
2 p.m.**

**Thursday, April 9
10 a.m.**

**Thursday, April 9
2 p.m.**

Location for all meetings:

E.B. Cape Center
4501 Leeland
713-928-4500

Need help?

If you need help understanding it all, come to one of these informative enrollment meetings. We'll have experts on hand to answer your questions.