

# University of Kentucky Retiree Prescription Benefit

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Know Your Rx Coalition, Director of Operations

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# **Questions?**

 If you do not get a question in or the presentation does not answer a question you have by conclusion of the meeting, please send an email with your question to...

KYRX@uky.edu



# **UK Retiree Prescription Benefit**

- Pre-65 (non-Medicare Retirees)
  - Early Retirees
  - Working Retirees

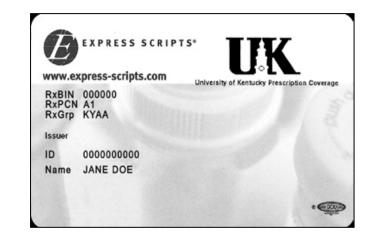


- Medicare Retirees
  - Medicare A and B Participants
  - No longer working (or ≤ 0.2 FTE)



### Pre-65 & Non-Medicare Retiree Rx Benefit

- Prescription Benefit Plan provided for all health plans
  - (HMO, PPO, RHP, EPO, Indemnity, Saver HDHP)
- Same Rx Benefit as for Active Employees (use same Rx ID card as when active employee)
- Spouses/Dependents
  - covered under same ID number as retiree
- Administered by Express Scripts
  - UK direct access to enrollment





# Medicare Retiree Rx Benefit

- UK Medicare PART D Prescription Drug Plan
- New ID card and ID numbers
- Medicare Covered Spouses have own ID card and unique ID numbers
- Administered by Express Scripts
   CMS (Medicare) controls
   enrollment





Phone: 859-218-5979 or 855-218-5979

Email: KYRx@uky.edu

### UK Prescription Benefit (Active Employee vs Medicare Retiree)

ACTIVE EMPLOYEE and EARLY RETIREE (all plans	Retail (limit to 34-day supply)			Express Scripts Home Delivery or UK Pharmacy (35-90-day supply)		
other than Saver HDHP)	Coinsuranc e	Minimum	Maximum	Coinsurance	Minimum	Maximum
Tier 1 -Generic	20%	\$8	\$50	10%	\$24	\$100
Tier 2 -Formulary Brand	40%	\$20	\$60	30%	\$60	•
Tier 3 - Non-formulary Brand	50%	\$40	No Maximum	40%	\$120	No Maximum
Specialty Generic (limit to 30-day supply)	Limited to UK Phcy and Accredo			20%	\$8	\$50
Specialty Brand (limit to 30-day supply)				\$200		

MEDICARE RETIREE	Retail (per 30-day supply)			Express Scripts Home Delivery (31-90-day supply)		
WEDIOARE RETREE	Coinsuranc e	Minimum	Maximum	Coinsurance	Minimum	Maximum
Tier 1 -Generic	20%	No Minimum	\$50	10%	\$24	\$100
Tier 2 - Formulary Brand	40%	\$20	\$60	30%	\$60	\$120
Tier 3 - Non-Preferred Drug (includes brand & generic)	50%	\$40	No Maximum	40%	\$120	No Maximum
Tier 4 – Non-Formulary Drug	NOT COVERED					
Specialty Drug (limit to 30 day supply)	Per above tiers, limited to 30-day supply					



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### UK Prescription Benefit (Active Employee vs Medicare Retiree)

Operational Differences	Active Employee/Early Retiree Plan	Medicare Rx	
90 Day Supply Rx	UK or Express Scripts Mail order	UK, Walgreens, Express Scripts	
Specialty Medications	UK or Accredo	Any Pharmacy	
Healthcare Reform	\$0 Copays Preventive	N/A	
PHARMA Copay Cards	Allowed	Excluded	
UK Pharmacy 50% copay discount	Rxs ordered by UK prescribers	Excluded	
Formulary	Open (Non-Formulary 50% coinsurance)	Closed (Non-Formulary = Not covered)	



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### UK Prescription Benefit (Active Employee vs Medicare Retiree)

Coverage Differences	Active Employee/Early Retiree Plan	Medicare Rx
Diabetic Testing Supplies	Rx Benefit	Humana MA
Nebulizer Solution	Rx Benefit	Humana MA
Some Oral Anticancer	Rx Benefit	Humana MA
Flu, Pneumonia, Hepatitis, B COVID Vaccine	Rx or Medical	Humana MA
All other vaccines	Rx or Medical	Rx only
Vitamins & Minerals	Covered	Excluded
Cough and Cold	Covered	Excluded



# **UK Medicare Rx Benefit**

Express Scripts Medicare (PDP) Express Scripts Medicare (PDP) for the University of Kentucky



- Do not enroll in a different Part D or different Medicare Advantage Plan
- Subject to all CMS Medicare D Requirements



# **UK Medicare Part D (EGWP)**

- NO Deductible
- No Coverage Gap (aka Donut Hole')
- Once Catastrophic Coverage is reached, member cost is \$0

TrOOP = "True" Out of Pocket



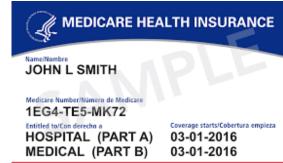
# **Medicare Part D – TrOOP**

	Standard Medicare		UK Plan	
Deductible Phase	Cost Sharing: 100%		None	
	Deductible: \$615		No Deductible	
Initial Coverage Phase	Applicable Drugs Cost Sharing: 25% Plan Pays: 65% Manufacturer Discount: 10%	Non-Applicable Drugs Cost Sharing: 25% Plan Pays: 75%	Generic: 20% (Max \$50) Formulary Brand: 40% (min \$20/Max \$60) Non-Preferred: 50% (no max)	
	Out of Pocket Threshold: \$2,100		Out of Pocket Threshold: \$2,100	
Catastrophic Phase	Member Cost: \$0		Member Cost: \$0	



### **Enrolling in UK Medicare Rx**

•Sign up for Medicare Parts A and B within 3 months of 65<sup>th</sup> birthday



- •Complete UK Medicare Advantage and Medicare Rx enrollment form with UK HR Benefits
- •UK sends file to Express Scripts, who sends on to CMS for processing
- •When CMS approved, Express Scripts will send letter and Welcome Packet with new ID card
- After April 2018 Medicare ID is no longer be SSN based but a unique 11 digit MBI (Medicare Beneficiary ID)



# **UK Medicare Part D** (**EGWP**)

## **EOB**

- Medicare required document
- Sent monthly following any Rx activity
- Available online from Express Scripts member web portal

Express Scripts PO Box 14235 Lexington, KY 40512-4235

Express Scripts Medicare™(PDP)

UK

August 09, 2013

Your member numbers are:

Group Number: #KYMA



#### Your Monthly Prescription Drug Summary

For July, 2013

This summary is your "Explanation of Benefits" (EOB) for your Medicare prescription drug coverage (Part D). Please review this summary and keep it for your records. (This is not a bill.)

Here are the sections in this summary:

SECTION 1. Your prescriptions during the past month

SECTION 2. Which "drug payment stage" are you in?

SECTION 3. Your "out-of-pocket costs" and "total drug costs" (amounts and definitions)

SECTION 4. Updates to the plan's Drug List that will affect drugs you take

SECTION 5. If you see mistakes on this summary or have questions, what should you do?

SECTION 6. Important things to know about your drug coverage and your rights

#### Need large print or another format?

To get this material in other formats, or ask for language translation services, call University of Kentucky Member Services (the number is on this page).

#### For languages other than English:

Español 1-888-787-2437 (Spanish)

Express Scripts Medicare™ (PDP) for University of Kentucky is operated by Express Scripts Medicare

#### Member Services

If you have questions or need help, call us 24 hours a day, 7 days a week. Calls to these numbers are free.

1-888-787-2437

TTY users call: 1-800-716-3231





# **Medicare Part D – LEP**

- LEP = LATE ENROLLMENT PENALTY
   1% per Month of Standard Medicare D Premium (\$38.99 for 2026)
  - Receive a letter from Express Scripts
  - Documentation of Creditable Coverage
  - UK Benefits Pharmacist can provide Express Scripts with documentation for you <u>IF</u> you were previously covered on UK Prescription plan



# **Medicare Part D – LEP**

LEP = LATE ENROLLMENT PENALTY

1% per Month of Standard Medicare D Premium (\$38.99 for 2026)

- 1% x SMDP x Months not covered
- Example: Mr. Smith went 36 months without any insurance coverage once he was eligible for Medicare. After enrollment his penalty will be
  - $\bullet$  0.01 x \$38.99 x 36 = \$14.04
- This penalty will apply monthly until Mr. Smith is no longer on Medicare



# **Medicare Part D – IRMAA**

- IRMAA = Income Related Monthly Adjustment Amounts
  - Paid Directly to Social Security Administration

2026 IRMAA -If MAGI in 2025 (or 2024 if 2023 is not available) was:			
Single	Married filing jointly	Monthly IRMAA Part D	
\$109,000 or less	\$218,000 or less	\$0	
>\$109,000 to \$137,000	>\$218,000 to \$274,000	\$14.50	
>\$137,000 to \$171,000	>\$274,000 to \$342,000	\$37.50	
>\$171,000 to \$205,000	>\$342,000 to \$410,000	\$60.40	
>\$205,000 and <\$500,000	>\$410,000 and <\$750,000	\$83.30	
\$500,000 and above	\$750,000 and above	\$91.00	





# **Medicare Part D – Extra Help**

### LIS = Low Income Subsidy

- Monthly Premium Reimbursement
- Reduced Copays on Prescriptions



In 2025, you may qualify if you have up to \$23,475 in resources (\$31,725 for a married couple).

Resources include: bank accounts, stocks, bonds but not your primary home, car, or life insurance policies

https://secure.ssa.gov/i1020/start



### Medicare Plan – Hospital Observation/ER Visit

Self –Administered Drugs

- Part A (Hospitalization) only applies if patient is ADMITTED
- Part B will not cover self administered drugs (oral tablets, eye drops, inhalers, etc.)

Patient is charged for full amount of doses given (\$\$\$)

Reimbursement only available via manual claim form with Part D Prescription plan



### **Medicare Plan – M3P**

- A new program form the inflation reduction act (IRA) was effective 1/1/25. It is called the Medicare Prescription Payment Program (aka M3P)
- M3P is intended to help members smooth out their copay for the remainder of the year if they have a high cost drug initially.
- This program will NOT reduce the patients out of pocket costs
- Could result in balloon payment towards the end of the year.
- Removes transparency between the members known cost.
- Given there is no deductible, caps on copays, and extra contribution to the out of pocket threshold, there is little to no need for members of an EGWP to enroll in M3P.



### Medicare Part D Review

- Enroll in Medicare A/B regardless of employment 3 months before 65<sup>th</sup> birthday
- Plan year resets 1/1 regardless of when you enroll
- LIS Low Income Subsidy Helps with your Medicare Costs
- LEP Late enrollment penalty Can cost you extra if you fail to attest or sign up for Medicare D late
- IRMAA Based on income can adjust Medicare Cost
- EOB Explanation of Benefits supplied every month
- Self Administered Drugs -will require manual claim
- Coverage Gap –Coverage Gap no longer exists
- Catastrophic Coverage when the member cost for the year reaches \$2,100, patient cost is \$0
- Vaccine Coverage Select vaccines are covered on Medicare B or D. Select vaccines are covered at \$0 member cost
- M3P Program Will not reduce cost or offer any extra help. Not a mandatory program to enroll in.
- If you have questions about your medications, cost, formulary status, coverage or just want to talk with a pharmacist: 855-218-5979



# Know Your Rx Coalition Pharm-Assist Offering

### **MONDAY-FRIDAY 8AM –6 PM E.T.**

### KYRx@uky.edu

### Free counseling service via live pharmacists

- Contact members with lower cost prescription alternatives
- Contact Prescribers and Pharmacies on your behalf
- Guide you to lowest cost medication options (\$4 generic lists, copay cards, etc.)
- Contact PBM (Express Scripts) on your behalf as needed
- Provide medication information and prescription coverage information specific to your plan

**Know Your Rx Coalition** 

855-218-5979

Travis Albrecht – Dir. Of Operations

Marissa Boelhauf – Clinical Dir.

#### **Dedicated Clinical Pharmacists**

Gina Beanland
Megan Clements
Whitney Deal
Amy Griesser
Stacy Poskin
Allison Russell
Lauren Vickers
Patricia Walker
Lacey Wilkinson
Zach Wilkerson