Re: Prescription Drug Coverage Change for Medicare-Eligible Retirees

Dear Retiree:

The University of Vermont currently provides prescription drug coverage to retirees and their dependents through Blue Cross and Blue Shield of Vermont (BCBSVT). This will change on January 1, 2015 when UVM and BCBSVT will partner with the federal government’s Medicare Part D pharmacy program to provide Medicare-eligible retirees with prescription drug coverage through Medicare Part D. This program, called an Employer Group Waiver Program (EGWP), will provide you the same coverage you have enjoyed, while creating a cost savings for the University. You may have heard over the last year that other large institutions, such as the Vermont State Teacher’s Retirement System and the State of Vermont Employer Plan have already made or are making this transition for their retirees.

Between now and January, we will provide more information about EGWP. For now, here are some questions and answers related to the program:

(1) **Will EGWP work for Medicare-eligible retirees like the current drug benefit does?** Yes. UVM will offer the same benefits—including the same formulary, copay structure and out-of-pocket maximums that you enjoy now. Your doctor will issue a prescription, your local pharmacy or mail order prescription provider will fill it, and if you have a drug copayment, you’ll pay it. Just like now.

(2) **Will I have to shop for a Medicare D plan now?** No. Your current prescription coverage with BCBSVT will automatically be converted to this new program on January 1, 2015.

(3) **Will my prescription drug copays and out of pocket limit amount be the same?** Yes. You will pay the same drug copays, and your out of pocket limit will remain the same.

(4) **Will I be subject to the “donut hole” costs in Medicare D?** No. UVM’s coverage will continue to “wrap around” the Medicare Part D program, just like it “wraps around” Medicare’s health benefits now. You will pay copays just as you currently do. When you reach your out-of-pocket maximum, UVM will pick up 100% of the remaining cost.

(5) **Will my premium contributions to UVM be paid for in the same way?** Yes. There will be no change to the way you pay your premiums.

**More information about EGWP is coming.** UVM will send more information about EGWP and our partnership with Medicare Part D in the months to come. If you have questions or concerns in the meantime, e-mail the UVM HRS Information Center at HRSinfo@uvm.edu, call us at (802) 656-3150, or drop in.