



STATE OF WISCONSIN  
Department of Employee Trust Funds

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September 2005

**State Plan**

**RE: Medicare Part D Prescription Drug Benefits and Your Coverage Effective January 2006**

Dear State of Wisconsin Group Health Insurance Program Subscriber:

Starting January 1, 2006, everyone with Medicare will be eligible for prescription drug coverage, referred to as "Medicare Part D." Because you and/or your dependents (i.e. spouse) have been identified as being eligible and/or enrolled for Medicare benefits now or within the next six months, this notice is being sent to inform you how your benefits through the State of Wisconsin Group Health Insurance Program as a retiree or survivor are affected by Medicare Part D.

**What needs to be done now as a result of the new Medicare Part D drug benefit?** Nothing. Your current prescription drug coverage through the State of Wisconsin is as good, if not better, than Medicare Part D coverage. Therefore, it is not necessary to enroll in a separate Medicare Part D drug plan at this time.

**How will this change affect you?** The effect is expected to be minimal and virtually seamless. If you are not eligible for extra help from Medicare for persons with low income, and your prescription drugs are typically covered through your State insurance, the most cost effective option for you is to not enroll in a Medicare Part D drug plan. Best of all, you can keep your coverage without completing any new paperwork.

**Will joining a Medicare Part D drug plan affect your current coverage and premium?** Yes. If you enroll in a Medicare Part D drug plan, Navitus, the state prescription drug benefit manager, will coordinate benefits as a secondary payor with the Medicare Part D drug plan that you choose. This may result in you being responsible for additional payments beyond the usual Navitus copayment if the Medicare Part D drug plan's claim payments are more than the discounts arranged through Navitus. In addition, joining a Medicare Part D drug plan does **not** reduce your health insurance premium to the State. You will be required to pay the full 2006 premium rate for your health insurance coverage in addition to any premium you will pay to the Medicare Part D drug plan. Since the current premium for State coverage covers both medical and prescription drug needs, no extra premium billing is necessary.

**Will Medicare penalize participants who do not enroll in Medicare Part D?** Because coverage through the State of Wisconsin Group Health Insurance Program is, on average, at least as good as standard Medicare prescription drug coverage, you will not have to pay a penalty if you enroll later.

**What are the best sources of information about Medicare Part D options?** There are several resources available to help you with your decision and the options available to you, including the following:

- Navitus Customer Service toll free at 1-866-333-2757.
- Department of Employee Trust Funds at 1-877-533-5020, Local Madison 608-266-3285.
- *Medicare & You 2006* handbook, which will be mailed in October.

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- State of Wisconsin Medigap Hotline toll free at 1-800-242-1060
- Wisconsin Prescription Drug Helpline toll free at 1-866-456-8211
- The Medicare web site at [www.medicare.gov](http://www.medicare.gov). Fact sheets are available now and an online Medicare Prescription Drug Plan Finder tool will be available starting in October.
- 1-800-MEDICARE (1-800-633-4227), available 24 hours a day, 7 days a week. TTY users should call 1-877-486-2048.

**Is the current State of Wisconsin prescription drug coverage changing?** No, your current drug coverage will continue to have the three-level copayment structure (\$5/\$15/\$35) with an out-of-pocket maximum. Unless you are enrolled in the Standard Plan, your maximum annual out-of-pocket cost for Level 1 and Level 2 formulary prescription drugs continues to be \$300 per person or \$600 per family. Note: Level 3 copayments are **not** applied to your out-of-pocket maximums and must continue to be paid after the annual out-of-pocket maximum has been met.

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**Attention Standard Plan, Medicare Plus \$1,000,000 and  
State Maintenance Plan (SMP) Members**

Effective January 1, 2006, the administrator of these plans will change to WPS Health Insurance (WPS). Blue Cross & Blue Shield of Wisconsin (BCBSWi) will cease administering the plans as of December 31, 2005. However, for all services received in 2005, BCBSWi will continue to process and pay claims throughout the year.

**What does this mean to subscribers?**

1. Subscribers currently enrolled in one of these plans will receive information about providers and policies from WPS in late September. **In addition**, those with dependents over age 19 will receive the "student status" request forms from BCBSWi in November. Those forms must be returned to BCBSWi.
2. In December, subscribers who pay their health insurance premiums directly to BCBSWi will start receiving premium notices from WPS. Those who pay any premium to BCBSWi in 2005 for 2006 coverage will receive a refund from BCBSWi for the 2006 premium paid.
3. Subscribers who plan to stay enrolled in any of the above plans for 2006 will receive new identification cards and booklets in late December showing WPS as the administrator. For any services received on or after January 1, 2006, subscribers must show this new card to the provider so claims will go to WPS. **Failure to show the WPS card may result in delayed claims payment.**
4. For current subscribers who have either prior-authorizations or referrals approved by BCBSWi for services in 2006, these agreements will be honored by WPS. New policies and procedures for 2006 will be communicated in the September and December WPS mailings and the *It's Your Choice* booklet.
5. For those enrolled in the State Standard Plan, (a Preferred Provider Plan), Dean Health System will be an in-network provider in 2006. Please check the provider listings carefully to determine if your providers are in the WPS network.
6. Contact WPS for more information at 1-800-634-6448 or through its Internet site, <http://www.wpsic.com/state>, beginning in late September.