

**Date:**

**[Member name] – or- [Member]**

**Address**

**[optional: Member Number]**

**Health Plan Name**

Dear (*must use* [member name]):

<MA organization> will no longer offer <MA plan name A> after <include date>. We will offer <MA plan name B> beginning <include date>. If you wish to be a member of <MA plan name B>, you do not need to do anything. You will be enrolled automatically in <MA plan name B> effective January 1, 2008. You have other options for your Medicare coverage besides <MA plan name B>.

This letter tells you about your Medicare health care choices. It is very important for you to understand all of your options. You are still in the Medicare program, no matter what decision you make.

If you get health coverage from an employer, retirement system, or union, contact the employer, retirement system, or union before you make a decision.

You can make any of the choices below for your Medicare coverage that will begin January 1, 2008:

**1. Stay with <MA organization> and receive your Medicare benefits through <MA plan B name>.**

Beginning January 1, 2008, <MA Organization> will continue to offer Medicare benefits through <MA plan name B>. If you choose, you can stay with <MA organization> in this new plan. If you do not tell us otherwise, we will assume that you wish to stay with <MA organization> as a member of the <MA plan name B>. **Section I** of this letter explains the differences between <MA plan name A> and <MA plan name B>.

**2. Choose another Medicare Advantage plan offered in your area.**

If you decide to choose another Medicare Advantage plan, you may have to change doctors. There are other available health plans similar to this one. They are listed in the attached table at the end of this letter. To assist you in finding a Medicare Advantage plan in your area you may call 1-800-MEDICARE (1-800-633-4227) or visit [www.medicare.gov](http://www.medicare.gov) on the web for step-by-step help with your Medicare health care coverage options. Make sure you look at the costs and benefits under these [*or “this” if there is only one other choice*] plan[s], and compare them to the costs and benefits under <MA plan name B>. You may also check a

**Keep this notice as proof of membership in <2007 plan>**

If you have any questions about this letter:

Call 1-800-MEDICARE (1-800-633-4227); TTY users should call 1-877-486-2048

plan's provider directory for a list of doctors. **Option 1** of this letter explains what you should do if you wish to join another Medicare Advantage plan.

### **3. Receive Medicare Benefits through the Original Medicare Plan.**

**Option 2** explains what you should do if you wish to change to the Original Medicare Plan. Because we will not offer MA plan name A> after December 31, 2007, you have certain temporary rights to buy a Medigap policy, also known as Medicare Supplement Insurance, which can help pay for some costs that the Original Medicare Plan does not pay. **Option 3** explains your Medigap rights.

#### **Section I: The Differences between <MA plan name A> and MA plan name B>**

##### **How will my 2007 monthly premiums change if I stay enrolled with <MA Organization> under the <MA plan name B>?**

Starting January 1, 2008, the monthly premium that you would pay under <MA plan name B> [will increase/decrease from \$<2007 premium amount OR stay the same].

##### **[MA-PDs must use this section] How will my prescription drug coverage change for 2008? [include if offering drug coverage]**

We have also enclosed a 2008 Summary of Benefits and a formulary that will be effective January 1, 2008. Medicare has reviewed and approved the covered drugs listed in the formulary. We have changed our formulary. We have added, removed or placed additional limitations on some of the drugs we cover. Please review the formulary to see if we still cover the drugs you currently take. *[If including a complete formulary, use the following language: "The enclosed formulary can also be found on our <formulary web site> or you can call <customer/member> service if you need any assistance locating a particular drug."]* *[If including an abridged formulary, use the following language: "To get a complete listing of all the drugs we cover, you can visit our <formulary web site> or call <customer/member telephone> service."]*

*[Plans not continuing approved exception requests into a subsequent plan year for renewing enrollees must add the following language if those enrollees are not otherwise notified in writing that the exceptions will not continue into the subsequent plan year: "If you received approval for a formulary or tiering exception request during the 2007 plan year, coverage for the drug approved under the exception will end on December 31, 2007."]*

**[PFFS plans not offering prescription drug coverage, use the following]:** "If you are interested in getting Medicare prescription drug coverage, "you can join a Medicare Prescription Drug Plan." [If organization offers a Medicare Prescription Drug Plan, "you may use the following plans offered by our organization or"] call 1-800-MEDICARE (1-800-633-4227) to find other Medicare Prescription Drug Plans available to you where you live.

To join one of these plans that are offering the new Medicare prescription drug coverage, contact the Member Services at the number provided above. If you join another Medicare Health Plan or Medicare Prescription Drug Plan [PFFS plans not offering prescription drug

coverage, do not include phrase “Medicare Prescription Drug Plan”), you will be disenrolled from [MA plan name B] when your enrollment in the new plan begins.

**[MA-PD must use this section]What if my drugs are no longer on the formulary or are in a more expensive tier in 2008?**

If we no longer cover your drugs or your drug has moved to a more expensive tier, you will need to talk to your doctor about appropriate alternative drug therapies available on our new formulary. *[If there are no appropriate alternative drug therapies on our formulary, you or your doctor can request a formulary or tiering exception by <insert date>. Refer to the enclosed <MA plan name B> formulary for exception filing instructions. If approved, we will begin covering your drug starting on January 1<sup>st</sup>.] [Beginning January 1, you will get a temporary supply of the drug but you will need to talk to your doctor about switching to a covered drug, or request a formulary exception if we no longer cover your drug(s).]*

*[Clearly describe how your Medicare Part D coverage changes from your prior year drug coverage, including changes in cost sharing, annual drug cap, and drug coverage. Also describe any drug coverage offered in the current year that will no longer be offered by the plan in the upcoming year. When describing changes, do so by comparing the current year benefit with the upcoming year benefit. This information may be clearer to beneficiaries in table format]*

All changes begin January 1, 2008, and will be in effect through December 31, 2008, except for those formulary changes that decrease cost or increase safety.

**[MA-PD must use this section]What do I need to know if I’m receiving extra help from Medicare to pay for my prescription drugs?**

If you continue to qualify for the same amount of help next year, the table below tells you how your prescription costs will change.

If you pay this much this year [insert year]	You will pay this much next year [insert year]
\$0 deductible	\$0 deductible
\$53 deductible	\$56 deductible
\$1 for generics and brands that are treated as generics \$3.10 for brand name drugs	\$1.05 for generics and brands that are treated as generics \$3.10 for brand name drugs
\$2.15 for generics and brands that are treated as generics \$5.35 for brand name drugs	\$2.25 for generics and brands that are treated as generics \$5.60 for brand name drugs
15% co-insurance for all drugs	15% co-insurance for all drugs

If you qualify for extra help, you pay \$0 or a reduced monthly premium. If you continue to qualify for the same amount of extra help next year, the table below tells how much you will pay for a monthly premium. (This does not include any Medicare Part B premium you may have to pay.)

Your level of extra help	Monthly Premium for
--------------------------	---------------------

	<Plan Name>
100%	\$<xx.xx>
75%	\$<xx.xx>
50%	\$<xx.xx>
25%	\$<xx.xx>

If your level of extra help will change in 2008, you may receive (or may have received) a letter from Medicare or the Social Security Administration (SSA) about your eligibility for extra help in 2008. 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) for this information. TTY/TDD users should call 1-877-486-2048. They are available 24 hours a day, 7 days a week.)

*[As an enhanced benefit, <MA plan name B> offers additional coverage on some prescription drugs not normally covered in a Medicare Prescription Drug Plan. If you receive extra help from Medicare in paying for your drugs, you will NOT receive this extra help for these particular drugs. Please refer to the enclosed formulary to see which drugs are covered by the enhanced benefit. Your co-pay/co-insurance amounts for these drugs are listed in the enclosed Summary of Benefits.]*

**How will my other benefits and costs change for 2008?**

*[MA-PDs should use this sentence in addition to describing other benefits] In addition to the Medicare prescription drug coverage that will be part of your plan, the following changes will occur in your coverage. [Clearly describe all other benefit changes, including changes in cost sharing and any new benefits that will be offered by the plan in the coming year or that will be covered by Medicare. Also describe any benefits offered in the current year that will no longer be offered by the plan in the upcoming year. When describing benefit changes, do so by comparing the current year benefit with the upcoming year benefit. For consistency, list the benefit changes in order of the Summary of Benefits. This information may be clearer to beneficiaries in table format]*

We have enclosed a summary of your benefits, premiums, and cost sharing that will be effective January 1, 2008. Medicare has reviewed and approved the changes in benefits, premiums, and other costs included in this letter and on the enclosed Summary of Benefits. We will send you an *[insert: "Evidence of Coverage" or whichever name you use as the name for the EOC]* *[insert either "by [date]" if you are sending earlier than January 31, <year> or "by January 31, <year>"]*.

**Are there other benefits I can get?**

*[Include this section if the plan offers optional supplemental benefits.]*

*[Clearly describe any optional supplemental benefits and the premiums for those benefits. A description of the process that the member must follow to elect optional supplemental benefits must also be included.]*

**Option 1: You Can Join Another Medicare Advantage or Other Medicare**

## **Health Plan, including a plan that offers prescription drug coverage**

<MA plan name> is a Medicare Advantage Plan. Medicare Advantage Plans are offered by private companies and can be Health Maintenance Organization plans (HMOs), Preferred Provider Organization plans (PPOs), or Private Fee-for-Service plans. If you like having a Medicare Advantage Plan, you may join another Medicare Advantage Plan with another company. Most, but not all, Medicare Advantage Plans include prescription drug coverage.

You can join another Medicare Advantage Plan that starts on November 1, 2007, December 1, 2007, or January 1, 2008, as long as the plan you want to join gets your request to join **before the start date you choose**.

There are other types of Medicare health plans similar to this one. They are listed in the attached table at the end of this letter. These plans may have different rules than our plan. You should contact the plans you are interested in if you need more information on the rules, cost, and what each plan covers, including prescription drug coverage.

For help comparing the costs and coverage of each plan, call 1-800-MEDICARE (1-800-633-4227) or visit [www.medicare.gov](http://www.medicare.gov) on the web. TTY users should call 1-877-486-2048. You can also call <name of SHIP> at <SHIP number(s)>. TTY users can call <SHIP TTY number>.

### **Option 2: You Can Change to the Original Medicare Plan and join a Medicare Prescription Drug Plan**

This is the Original Medicare Plan that is available nationwide. You can go to any doctor or specialist that accepts Medicare and is accepting new Medicare patients, and to any hospital or other facility. You don't need a referral. The Federal Government manages the Original Medicare Plan.

If you decide you want Original Medicare Plan coverage **before January 1, 2008**, you can do one of the following:

- Send or fax us a written request saying you want to leave our plan, or
- Call 1-800-MEDICARE (1-800-633-4227). TTY users should call 1-877-486-2048. Tell the Customer Service Representative that you want to leave <MA name A> and begin getting health care from the Original Medicare Plan.

If you decide to leave <MA plan name A> before January 1, 2008, you can select when your Original Medicare Plan coverage starts. Your coverage may start on November 1, 2007, or December 1, 2007, as long as your request to leave is received **before the start date you choose**.

If you choose to leave our plan before December 31, 2007 and don't select when your Original Medicare Plan coverage starts, we will let you know, in writing, what date your new

Original Medicare Plan coverage begins. You will get your health care from the Original Medicare Plan the day after your enrollment with our plan ends.

### If You Want Prescription Drug Coverage

If you change to the Original Medicare Plan and want to get prescription drug coverage, you can join a Medicare Prescription Drug Plan. Medicare prescription drug coverage is available to everyone with Medicare. Private companies provide this coverage. Like other insurance, if you decide not to join when you are first eligible, you may pay a penalty if you choose to join later.

If you want a Medicare prescription drug plan, you should compare those available and join one that meets your needs. Find out which plans cover the prescriptions you take and what pharmacies you can use to fill your prescriptions. For help comparing the costs and coverage of each plan, call 1-800-MEDICARE (1-800-633-4227) or visit [www.medicare.gov](http://www.medicare.gov) on the web for step-by-step help with your Medicare prescription drug coverage options. TTY users should call 1-877-486-2048. You can also call <name of SHIP> at <SHIP number(s)>. TTY users can call <SHIP TTY number>.

If you join a Medicare drug plan, your coverage may start on November 1, 2007, December 1, 2007, or January 1, 2008, as long as the plan you want to join gets your request to join **before the start date you choose**.

**If you don't join a Medicare Prescription Drug Plan, and you don't have other drug coverage that is at least as good as Medicare's, you may have to pay a penalty if you join later. This means you pay a higher premium for as long as you have Medicare prescription drug coverage.**

### **Option 3: You Can Change to the Original Medicare Plan, buy a Medigap (Medicare Supplement Insurance) Policy, and join a Medicare Prescription Drug Plan**

#### Understanding Medigap

A Medigap policy, also called "Medicare Supplement Insurance," is a health insurance policy sold by private insurance companies. Costs that you must pay like coinsurance, copayments, and deductibles are called "gaps" in Original Medicare Plan coverage. You might want to consider buying a Medigap policy to help cover these gaps. Some Medigap policies also cover other benefits that aren't covered by Medicare like emergency health care while traveling outside the United States. Since January 1, 2006, you can't buy new Medigap policies covering prescription drugs because private companies approved by Medicare now offer Medicare prescription drug coverage.

Coverage under a Medigap policy is different from the coverage you have under <MA plan name>. Since Medigap policies only help pay health care costs if you are in the Original Medicare Plan, you don't need to have a Medigap policy if you are in a Medicare Advantage Plan.

In most States, there are 12 standardized Medigap policies available. They are called Medigap Plans A through L. Each plan has a different set of benefits. Plans K and L are new policies that have higher out-of-pocket costs for certain benefits than Plans A-J. However, Plans K and L limit those out-of-pocket costs. Plans K and L will generally cost less than Plans A-J because they have higher out-of-pocket costs and provide fewer benefits.

It is important that you read this entire section to find out if you have Medigap rights and to understand your choices. If, after reading this section, you still have questions about your Medigap rights, call <name of SHIP>, your State Health Insurance Assistance Program at <SHIP number(s)>. <Name of SHIP> is a State program that gives free local health insurance counseling to people with Medicare.

If you change to the Original Medicare Plan, you may want to buy a Medigap policy. If you want to buy a Medigap policy, follow these basic steps:

1. Contact a private insurance company that sells Medigap policies and ask for an application.
2. Apply for a policy **before** your coverage under <MA plan name > ends so that your Medigap policy coverage starts the same day as your Original Medicare plan coverage. **If you wait until [MA plan name] ends to apply for a Medigap policy, you may incur a gap in coverage because the Medigap policy will not be effective immediately. In order to prevent a gap in coverage, apply while you are still enrolled in [MA plan name] and request that the Medigap policy coverage begins on the date [MA plan name] terminates. However, to protect your rights to buy a Medigap policy, you must apply for a Medigap policy no later than 63 calendar days after your coverage under <MA plan name> ends.** Your coverage under <MA plan name> ends on December 31, 2007, unless you ask to leave our plan before that date.
3. **Make a copy of the cover letter that came with this mailing and send that letter in with your Medigap application.** It will prove that you have special rights to buy a Medigap policy. Remember, you will have coverage under the Original Medicare Plan even if you don't buy a Medigap policy.

### Your Rights to Buy a Medigap Policy

Usually private insurance companies don't have to sell you a Medigap policy unless you are still in your Medigap open enrollment period. Your open enrollment period is usually the 6-month period that starts when you are age 65 or older **and** enrolled in Medicare Part B. If you are under age 65, you will get a 6-month open enrollment period when you turn age 65 and are enrolled in Medicare Part B. In addition to Medigap open enrollment rights you may have special rights called Medigap protections or guaranteed issue rights when you lose your health insurance coverage or your health coverage changes. If you buy a Medigap policy and you have guaranteed issue rights, the insurance company must sell you a policy, must cover pre-existing conditions, and can't charge you more because of any past or present health problems.

**Because you are losing coverage under <MA plan name> you may have a right to buy a Medigap policy.**

- **If you are age 65 or older**, you have the right to buy Medigap Plan A, B, C, F, K or L from any company selling these policies in <State>. You can apply for a Medigap policy any time after the date of this letter. It is best to apply for a Medigap policy **before** your coverage under <MA plan name A> ends. To protect your rights, **you must apply no later than 63 calendar days after your coverage under our health plan ends.** Your coverage under <MA plan name A> ends on December 31, 2007, unless you ask to leave our plan before that date.
  
- **In the following situations you may also have the right to buy other Medigap plans** in addition to Plan A, B, C, F, K or L:
  - you are age 65 or older and first got Medicare Part B in the last 6 months;
  - you dropped a Medigap policy within the past 12 (in some cases 24) months to join a Medicare Advantage Plan for the first time; or
  - you joined a Medicare Advantage Plan during the last 12 (in some cases 24) months when you were first eligible for Medicare Part A at age 65.

If you think any of these situations apply to you, or if you are not sure, you should call <name of SHIP> at <SHIP phone number(s)> as soon as possible because **you must apply for a Medigap policy in a limited time period.**

- **If you are under age 65**, you may not be able to buy a Medigap policy until you turn age 65. There is no federal law that says insurance companies must sell Medigap policies to people under age 65. However, some states require insurance companies to sell you a policy at certain times, even if you are under age 65. If an insurance company voluntarily sells Medigap Plan A, B, C, F, K or L to anyone with Medicare who is under age 65 in <State>, it must sell these plans to anyone whose Medicare Advantage plan will no longer provide Medicare services. Call the <name of SHIP> at <SHIP number> for more information about whether any Medigap policies are offered to people with Medicare under age 65 in <State>. It is best to apply for a Medigap policy **before** your coverage under <nonrenewing MA plan> ends. To protect your rights, **you must apply no later than 63 calendar days after your coverage under our health plan ends.** Your coverage under <MA plan A> ends on December 31, 2007, unless you ask to leave our plan before that date.

**To find out more about your Medigap rights and to get help making a decision, call the <name of SHIP> at <SHIP phone number(s)>.**



If you change to the Original Medicare Plan, buy a Medigap policy, and want to get prescription drug coverage, you can join a Medicare Prescription Drug Plan. See Option 2, earlier in this notice, for information on joining a Medicare Prescription Drug Plan.

**Option 4: You can change to the Original Medicare Plan and use other health care and prescription drug coverage, such as an employer or union group health care plan, VA benefits, or TRICARE for Life.**

You may already have health care and prescription drug coverage such as an employer or union group health care plan, veteran's benefits, or military retiree benefits. You should call your insurer or benefits administrator to see if you might need additional coverage and how much it costs.

**Section 2: What if I Currently Have Permanent Kidney Failure?** *(include only if service area reduction plan has ESRD members)*

Different rules may apply to people with Medicare who have permanent kidney failure (also called End-Stage Renal Disease or ESRD). **If you don't have permanent kidney failure, skip to Section 3.**

If you have permanent kidney failure, you have a one-time right to join a new Medicare Advantage Plan. *(If other plans are available, insert: Available Medicare Advantage Plans are shown in Section 1. If no other plans are available, insert: Since there are no other Medicare Advantage Plans available in your area, you will get your Medicare-covered benefits from the Original Medicare Plan.)* Save this letter as proof of your right to join a new Medicare Advantage Plan. If you change directly to the Original Medicare Plan after leaving <MA plan name A>, you will still have a one-time right to join a Medicare Advantage Plan at a later date as long as you are in an enrollment period.

*(Omit if no other plans are available)* If you join a new Medicare Advantage Plan and later choose to leave that plan, you won't be able to join another Medicare Advantage Plan. You will get your Medicare coverage from the Original Medicare Plan. The only way you may get another chance to join a new Medicare Advantage Plan is if the new plan you join later leaves the Medicare Program or stops providing care in your area.

**Section 3: What if I Only Have Medicare Part B?** *(include only if service area reduction plan has Part B only members)*

**If you have both Medicare Part A and Part B, skip to Section 4.**

If you aren't sure if you have Medicare Part A and/or Part B, you can check the lower left corner of your red, white, and blue Medicare card. It will show which parts of Medicare you have. If you still aren't sure, call your local Social Security office or call the Social Security Administration at 1-800-772-1213.

If you want to join a new Medicare Advantage Plan or you want to buy a Medigap policy, you

must have both Medicare Part A and Part B. If you currently have only Medicare Part B, you will have to enroll in Part A. If you want to enroll in Part A, you should call the Social Security Administration at 1-800-772-1213 or visit your local Social Security office to find out how much it will cost. The minimum amount you will pay for Part A is \$410 per month in 2007. *[Note: if 2008 amount available, repeat sentence with 2008 amount]*. This amount will change every year.

Note: If you get your Medicare coverage through an employer or union group health care plan, check with your benefits administrator to see if there is an exception to this rule.

*[Note to MA organizations—If cost plan choice(s) exists, add the following: "There are exceptions to this rule for certain types of Health Maintenance Organization (HMO) plans, called Medicare Cost Plans. You may be able to join a Medicare Cost Plan, even if you don't have Medicare Part A. If you are interested in joining, you should call the plan to see what the requirements are. Look at the attached table at the end of this letter for information on cost plans available.*

### **When to Enroll in Medicare Part A**

If you enroll in Medicare Part A, you can enroll in October, November, or December 2007, or January 2008. If you enroll during one of these months, your Part A coverage will begin January 1, 2008, unless you say you want it sooner. You can also enroll from February 2008 through August 2008. If you enroll during one of these months, your Part A coverage will begin the month after you enroll. The Social Security Administration can give you information about enrolling in Medicare Part A. You can visit your local Social Security office or call them at 1-800-772-1213. TTY users should call 1-800-325-0778.

If you don't enroll in Medicare Part A during the months specified above, you can still enroll from January through March of every year. If you enroll during these months, your Part A coverage will begin on July 1st of that same year. You can join another Medicare Advantage Plan at that time.

### **Section 4: Where Can I Get More Information and Help with My Health Care and Prescription Drug Coverage Decisions?**

- Visit [www.medicare.gov](http://www.medicare.gov) on the web

This is Medicare's official consumer website. Here are some of the tools you can use to get quick answers to your questions:

- Medicare Options Compare – Look at and compare the health plan options in your area.
- Medicare Prescription Drug Plan Finder – Look and compare Medicare Prescription Drug Plan options in your area.
- Helpful Contacts – Get telephone numbers for local organizations that can answer your questions and links to other health websites.

- **Call 1-800-MEDICARE (1-800-633-4227)**  
**TTY users should call 1-877-486-2048.**

This toll-free help line is available 24 hours a day, seven days a week, to answer your questions about Medicare and to take orders for Medicare publications. You can speak to a Customer Service Representative in English or Spanish. You can also get information about ways to help with your prescription drug and other health care costs.

- **Get a copy of the “Medicare & You” handbook or other Medicare publications**

The “Medicare & You” handbook provides information about your health care choices. The handbook is mailed to people with Medicare each October. The handbook is available in English, Spanish, Braille, large print (English and Spanish), or on audiotape (English and Spanish). Other helpful publications include “Choosing A Medigap Policy: A Guide To Health Insurance For People With Medicare” (CMS Pub. No. 02110), “Your Guide to Private Fee-for-Service Plans” (CMS Pub. No. 10144), and “Your Guide to Medicare Prescription Drug Coverage” (CMS Pub. No. 11109). You can read or print out these publications at [www.medicare.gov](http://www.medicare.gov) on the web. Or, you can call 1-800-MEDICARE (1-800-633-4227) and ask for a free copy. TTY users should call 1-877-486-2048.

- **Call <name of State Health Insurance Assistance Program (SHIP)>**  
**<SHIP number(s)>** [*Note: Your CMS Regional Office can provide the SHIP name and the telephone number(s) that should be used here.*]

Volunteer health insurance counselors are available to answer your questions, discuss your needs, and give you information about your options.

- **Call <name of State Insurance Commissioner’s Office> at**  
**<appropriate phone number(s)>** [*Note: Your CMS Regional Office can provide the name and the telephone number(s) that should be used here.*]

Call if you have questions about the Medigap policies available in your area.

- **Call your State Medical Assistance Office at <state Medical Assistance office number>**

Call to see if your state has a program for people with limited income and resources that pays Medicare premiums and, in some cases, Medicare deductibles and coinsurance. It is very important that you call if you think you qualify even if you aren’t sure. TTY users should call <state Medical Assistance office> at <TTY number>.

Sincerely,

Plan Representative

Enclosure