



You are receiving this newsletter because our records show that you've enrolled in Medicare coverage with the help of Towers Watson's OneExchange. The newsletter is sent out twice a year to make sure you're up to date on the latest Medicare information. [Unsubscribe at the bottom of this email.](#)

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## Medicare News From OneExchange

### Spring 2016 issue

We've created this newsletter to keep our participants updated on what's happening with Medicare medical and prescription drug coverage this year and next. We hope you find the information useful.

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## Ongoing Support From OneExchange

Whether you're a new participant to OneExchange or you've been with us for a while, we want to remind you that you can contact OneExchange at any time to get help with questions or issues related to your medical insurance, prescription drug coverage, or funding arrangement (if you have one). If you like, we can even have a three-way call with your insurance company to help you solve any issues or questions regarding your coverage. As long as you stay enrolled in a plan through OneExchange, we'll continue to be your advocate and help you as needed—free of charge.

The most common questions we answer from participants



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are:

- How do I find out how much money is in my Health Reimbursement Account?
- How do I appeal a denied reimbursement?
- Is my medical provider in my plan's network?
- Can you help me with an insurance question?
- Can I reinstate my lapsed coverage?
- I am moving; what do I need to do about my insurance?

Additionally, if your medication needs to change, or you move, you may contact us to help you evaluate if your plan is still the right one for you.

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## The Shrinking Donut Hole: This Year and Next

The Medicare Part D Prescription Drug “donut hole,” or coverage gap continues to shrink since the enactment of health care reform in 2010. Earlier this year, the U.S. Department of Health and Human Services reported that the shrinking donut hole has saved Medicare recipients more than \$20 billion on prescription drugs since 2010, an average of \$1,945 per person.

In case you're not familiar with it, the donut hole begins after you and your drug plan have spent a certain amount for covered drugs. After reaching that amount, you have to pay a higher cost for your covered drugs until the amount you have spent along with the discount applied by the drug manufacturer reaches \$4,850 in 2016 and \$4,950 in 2017. Once you reach that limit, your plan begins to pay its share of costs again. It's important to note that the limit for entering the coverage gap is based on what you and your plan pay, while the limit for exiting the gap is based on the amount you've spent in out-of-pocket costs along with the manufacturer discount amount. As a result, what you spend while in the coverage gap is often smaller than it appears at first glance.

The donut hole has existed since the Medicare Prescription

Drug program was created in 2003. Although it impacts a relatively small percentage of people, the people that it does impact are usually the sickest. The Kaiser Family Foundation reported that 15% of people who hit the coverage gap stopped taking their prescription drugs. However, thanks to health care reform, members of Part D Prescription Drug plans get discounts to help pay for drugs while in the coverage gap—until it's closed in 2020. The coverage gap closes by maintaining the 50% discount the manufacturers offer and increasing what Medicare drug plans cover.

In 2016, you'll reach the donut hole once you and your plan have spent a total of \$3,310 on covered drugs. While in the donut hole, you'll get:

- A 42% discount on generic drugs
- A 55% discount on brand name medicines

These discounts continue until you reach your out-of-pocket yearly limit of \$4,850 in 2016. And in 2017, after you and your plan have spent a total \$3,700 on covered drugs, you'll get:

- A 49% discount on generic drugs
- A 60% discount on brand name medicines

These discounts will continue until you reach your out-of-pocket yearly limit of \$4,950 in 2017. Also, in 2017, the deductible for a standard Medicare Part D Prescription Drug plan will increase by \$40 to \$400. Please be aware that your plan may have a different deductible amount.

**Note:** *Your Medicare Part D plan provider records what you spend and sends you a monthly Explanation of Benefits (EOB) with the total amount you've spent noted on the form. That way you always know when you're approaching—or exiting—the donut hole phase of your prescription drug plan.*

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## What You Should Know About Medicare's Open Enrollment

The Medicare annual Open Enrollment Period, from October 15 to December 7, is a time when you're able to change your Medicare Advantage or Part D Prescription Drug plan

for the following year.

**We've found that roughly 95% of people enrolled in Medicare coverage through OneExchange do not change their plans during Open Enrollment,** but many people contact us during this time only to determine if they need to reenroll in their Medicare plans(s) to maintain coverage.

**Unlike employer group plans, you do not have to re-enroll in your Medicare coverage during Open Enrollment to remain covered.** If you like your Medicare Advantage, Medicare Supplement (Medigap), and/or Part D Prescription Drug plan, you don't have to take any action. Your medical and prescription drug plans will automatically renew. Therefore, you don't have to worry about contacting us during the busy enrollment period (which often involves longer wait times to speak with staff) if you don't plan to make any changes to your coverage.

However, there are several reasons why you may need to consider changing your coverage. We'll send you a newsletter around the start of Open Enrollment with information to help you evaluate whether or not you should consider changing your coverage. Some key reasons for changing coverage include:

- An increase in plan premiums that is too costly
- A change in your plan's network that involved your doctor(s) being dropped from your plan
- Moving into a new ZIP code or out of your current state
- Cancellation of your plan

With the exception of moving, your insurance company will notify you if any of these changes will take place. And if you are part of the small population that will be affected by these changes, OneExchange will work with you to find an alternative plan.

If you want to make a change to or enroll in a Medicare Supplement policy during Open Enrollment, or at any other time, we will work with you and your preferred plan to handle any preexisting conditions you may have—but we can't guarantee that they'll accept you. This is because, in most states, Medicare Supplement policies only offer guaranteed issue during your initial enrollment period. In most states,

after this period you are subject to medical underwriting, which means an insurer can deny you coverage based on your health status. The exception here is if you move out of the area covered by your plan, which grants you another guaranteed issue enrollment period.

Don't forget to keep an eye out for the *Experience Choice* newsletter that we'll send you around the start of Open Enrollment. It contains important information you should know about Medicare's Open Enrollment Period.

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## Shop Around To Lower Your Drug Costs

It can be difficult to research the actual cost of prescription drugs. Different pharmacies in the same neighborhood may charge vastly different prices for the same prescription. In general, most people don't do the research, and physicians don't always know how much prescriptions cost.

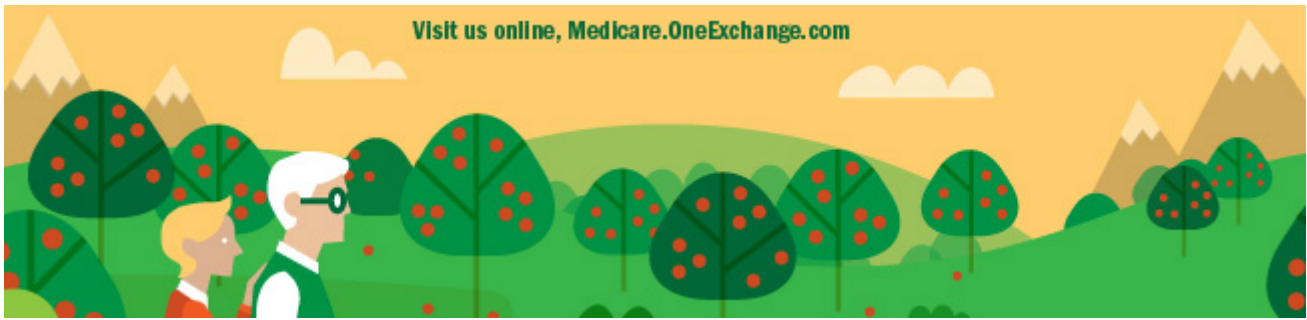
There are websites and apps, like [GoodRx](#) and [WeRx](#), which help consumers compare the price of prescription drugs at different pharmacies in their area. The interface is simple. You fill in the name of your drug and your ZIP code, which results in a list of pharmacies and the cost of the requested drug. In addition, applying discounts or coupons can further reduce the cost.

You are able to compare prices and see if you can lower your cost. Not all discounts and coupons will work with insurance. However, you still may be able to save money on your out-of-pocket costs. For example: If your prescription is cheaper at out-of-network Pharmacy X using a coupon versus going to your regular pharmacy, which accepts your insurance, then you have a choice to make.

The best thing about these services is that they are free and provide more options on where and how much to pay for prescriptions. As with any information concerning your medications, we recommend you call the pharmacy directly to verify the price, and ask your medical professional to make certain you are getting the prescriptions you need.

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