

Medicare-Eligible Drug Plan Changes Effective January 1, 2007

Effective January 1, 2007, both the pension deductions and coverage limits will change for Department of Education members and their dependents enrolled in prescription drug plans. For members and their dependents enrolled in the GHI Senior Care Plan, the pension deduction will increase from \$77.60 in 2006 to \$ 86.60 in 2007. The CSA Retiree Welfare Fund continues to pay the City directly for the 365 day extended hospital benefit for all Medicare eligible members and their dependents enrolled in the plan, even if they do not participate in the prescription drug plan. For members and dependents enrolled in HIP VIP, the pension deduction increases from \$ 72.03 per month in 2006 to \$ 85.34 in 2007.

In conjunction with annual increases in out-of-pocket amounts and coverage levels for standard Medicare Part-D, these limits will also change for each plan. For those in the GHI plan, in 2007 a plan participant will be required to incur \$ 3,850 in out-of-pocket expenses (also called TrOOP) , rather than \$ 3,600, before qualifying for the catastrophic benefit, which is 5% of the cost of the medication or \$ 2.15 for a generic medication or \$ 5.35 for a brand name medication, whichever is greater. The plan participant will now pay 25% of the first \$ 2,250 in drug costs, and then pay 60% of the costs between \$ 2,251 and \$ 7,729 in medication cost before qualifying for the catastrophic co-payments. For those enrolled in HIP VIP, the retail preferred brand co-payment will drop for \$ 20.00 to \$ 15.00.

All participants should have received a letter from their health plan in November describing both the changes in pension deductions and plan design changes. If you did not receive such a notification, please contact the CSA Retiree Welfare Fund at 718-624-2600 to learn the changes for your plan for 2007.