



Kaiser Foundation Health Plan of the Mid-Atlantic States, Inc.

October 2, 2018

Bill Tull
Lithographers & Photoengravers Local 285 Welfare
Fund 6210 North Capitol St., NW
Washington, DC 20011

SUBJECT: Kaiser Permanente Medicare Plan 2019 Contract Renewal

Dear Mr. Tull:

Because committed organizations like yours continue to offer coverage for your Medicare eligible retirees, membership in Kaiser Permanente Medicare Plans has grown to more than 76,000* within our Mid-Atlantic States region, which includes the District of Columbia, Northern Virginia and the Maryland suburbs of Baltimore and Washington D.C.

Your retirees' care team at our state of the art Kaiser Permanente medical centers include access to a wide range of award winning specialists. The plan is also growing with new medical centers and physicians being added each year. Kaiser Permanente health care providers use the latest technology to provide virtual visits, telephone appointments, and share information in using comprehensive electronic health records. Working together as one team, this means the ability to give retiree the care they need, when and where they need it. Plus, all Kaiser Permanente providers accept Medicare.

We are pleased to announce the availability of two new benefit riders available for purchase by employers or health and welfare trust funds for their Kaiser Permanente Medicare plan members:

- *Enhanced Dental Benefits – Provided by Dominion National*
This plan offers two preventive visits annually with a \$10 copay, and substantial discounts (50%) on comprehensive and restorative work from one's choice of thousands of dentists. This benefit replaces the standard \$30 copay, 25% discount already included in all Medicare plans sold by Kaiser Foundation Health Plan of the Mid-Atlantic.
- *Silver and Fit Exercise and Healthy Aging* – This program provides a no cost membership at the member's choice of participating fitness centers, or if they prefer, a home fitness kit including a DVD and guides. It also includes website access and other mediums for coaching, and educational tools, as well as social activities and rewards programs.

Please contact our Group Medicare Sales department or your Kaiser Permanente Account Management team if you would like a proposal for adding one of these new benefits.
2018 Medicare Rate Renewal

There are no changes to plan copayments for the 2019 plan year. Kaiser Foundation Health Plan of the Mid-Atlantic States has added a Medicare Advantage contracted plan for your Medicare covered retirees. Coverage of employer group sponsored members in Kaiser Permanente Medicare Advantage will begin January 1, 2019 for residents of Anne Arundel, Baltimore, Charles, Harford, Howard, Montgomery, Prince George's Counties and Baltimore City in Maryland, as well as the District of Columbia. Residents of Alexandria City, Arlington, Fairfax City, Falls Church City, Loudoun, Manassas City and Prince William Counties in Northern Virginia, plus Calvert, Carroll and Frederick Counties in Maryland will continue to be covered by the Kaiser Permanente Medicare Plus plan.

Please note:

- Membership for each plan is defined by the retiree's county of residence.
- Members of the Medicare Advantage plan will only be covered for services provided by Kaiser Permanente plan physicians, except when referred by Kaiser Permanente to a non-plan provider, or in cases of emergencies or urgently needed care while outside of the service area.
- Medicare Cost plans are subject to state regulation, and continue to adhere to benefit mandates
- Medicare Advantage plan members can travel outside the plan service area for up to 6 consecutive months and remain active members with access to emergency care or urgently needed care while traveling.

Part D Global Threshold Changes

On January 1, 2019, the following changes will apply to all Medicare plan members who are covered by Medicare Part D benefits:

Members enrolled in the Individual Kaiser Permanente Medicare plan will have a coverage gap from the ICL to the TrOOP, during which they will pay 35% plus a dispensing fee for brand name drugs, and 44% of the Plan's cost for generic drugs.

Employer group waiver plan benefits continue to cover medications through the Medicare Part D coverage gap, so members of employer group plans will not experience the coverage gap.

- Initial Coverage Limit (ICL): increases from \$3,750 to \$3,800
- Limit: (TrOOP): increases from \$5,000 to \$5,100

Once the Part D out of pocket spending limit has been reached, beneficiary copayments will be reduced to the amounts appropriate for the Employer Group Medicare plan offered.

CMS Policies

The Centers for Medicare and Medicaid Services (CMS) 2019 Annual Election Period (AEP) will be from October 15, 2018 through December 7, 2018. This does not affect your employer group sponsored plans' open enrollment dates. The AEP is the time during which individual Medicare beneficiaries may enroll in, change their Medicare Part D plan or disenroll from a plan and return to original Medicare. If any of your retirees or their spouses are enrolled in a Medicare plan as an individual, not on the employer plan, this election period will apply to them. In 2019, a new Medicare Advantage Open Enrollment Period will run from January 1 – March 31 to allow Medicare beneficiaries additional opportunities to change coverage.

LIS Reminder

Eligible individuals who have limited income may qualify for a government program that helps pay for Medicare Part D prescription drug costs. The Medicare low-income subsidy (LIS), also known as the Medicare Extra Help program, can amount to savings of as much as \$4,000 per year. Medicare beneficiaries receiving LIS get assistance in paying for their Part D monthly premium, annual deductible, coinsurance, and copayments. Also, individuals enrolled in the Extra Help program do not have to pay the LEP while they are in the LIS program.

This subsidization of the premium is applied to the employer's monthly Kaiser Permanente premium statement. The employer can refund the premium subsidy to the member or may be entitled to the subsidy when the employer is paying the premium for the member. You will find confirmation of this policy and the LEP policy in your employer contract that will be sent at the beginning of the year.

LEP Reminder

The Medicare Part D Late Enrollment Penalty (LEP) is added to the Medicare Part D premium by the Centers for Medicare and Medicaid Services (CMS). It is not a charge from Kaiser Permanente. A beneficiary may owe a late enrollment penalty, if they go without Part D or creditable prescription drug coverage for any continuous period of 63 days or more after their Initial Enrollment Period is over.

The Medicare Part D premium is included in the Kaiser Permanente Medicare Plan premium, so the LEP (if applicable) appears on the Kaiser Permanente employer group dues/premium billing each month and may be passed along by the employer to the member. The amount of the LEP depends on how long CMS determines the beneficiary went without Medicare Part D or creditable prescription drug coverage.

Retirees who are flagged by CMS to be charged the LEP are sent three (3) letters from CMS by the plan explaining the pending charge and include a form that the retiree can send back to 2019 Medicare Rate Renewal

October 2, 2018

Page 4

show there was creditable coverage. Once that form is received by CMS or their contractor, the LEP is reduced or eliminated. Most LEPs can be eliminated just by responding to the letter.

There may be rare instances where your employee/retiree/dependent had no coverage or lesser coverage through a spouse's plan. In such cases, the LEP must be paid. This is a Medicare Part D charge (not a Kaiser Permanente charge) and is not negotiable. CMS provides an appeals process for cases where the entire charge or the amount is disputed by the Medicare beneficiary.

Your 2019 Medicare Plan Renewal

The Kaiser Permanente Medicare health benefit plan is scheduled to renew on January 1, 2019 and go through December 31, 2019. Your contract will automatically renew with your current benefit design and 2019 rates as approved by the state regulators and attached herein, unless you request or have requested a change in writing.

Your renewal rates and Summary of Benefits for the new contract period are attached.

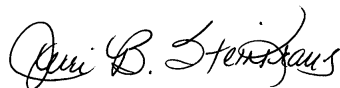
There is no premium increase for the Kaiser Permanente Medicare plan for 2019.

Your partner in health

Thank you for the opportunity to continue providing your Medicare-eligible retirees with quality health care services in 2019. Kaiser Permanente is committed to the well-being of your retirees. At Kaiser Permanente, we aspire to a single goal: we want our members to thrive. No matter what health status or stage of life, we want our members to be as healthy as possible and live life to the fullest.

If you have any questions or need to discuss changes to the benefits offered, please contact Jen Williams, Group Retiree Consultant, at (301) 321-5172 or Jennifer.R.Williams@kp.org. Or you can contact your Kaiser Permanente Medicare Consultant, Francesca Parsons Conner at (301) 816-5690 or Francesca.P.Conner@kp.org. You may contact me at (301) 816-6336.

Sincerely,



Jerri B. Steinkraus

Director of Medicare Sales

Kaiser Foundation of the Mid-Atlantic States, Inc.

* Source CMS Monthly Enrollment by CPSC August 2018

2019 Kaiser Foundation Health Plan of the Mid-Atlantic States Group Medicare Health Plan Rates

Group Name: <u>Lithographers & Photoengravers (Low Option)</u>	Underwriting Signature: <u>Alex Haybok</u>
Group # (PID) <u>5238</u> Subgroup/s (EU) <u>5, 200</u>	Comments: _____
Effective Date: <u>1/1/2019</u>	Date issued : <u>7/16/2018</u>

Until CMS approval, these rates are preliminary and may be subject to change

Year	2019
Jurisdiction	DC
KP Medicare Plan Name*	A (with Part D Rx)
Commissions	NA
Is this a National Group?	No

<u>Benefit Description*:</u>	Group Half Months Late	0
------------------------------	------------------------	---

Office visit	\$15
Inpatient Copay	\$100
RX** MO/KP/ANP	10/15/25-withD
Dental	\$30 preventive
Vision (including discounts)	standard
DME	\$0
ER	\$50

Additional Rider Benefits:

Hearing Aid	none
Chiropractic & Acupuncture	none
Eyeglass Lenses & Frames & Contact Lenses	none
Silver & Fit Fitness	none
Comprehensive Dental	none

Total pmpm (Medicare A, B, & D)	\$246.32	(includes applicable state mandates)
	\$0.00	0 Half months APP Load
Total pmpm (Medicare A, B, & D) & APP Load	\$246.32	

**** 60 day supply**

* Residents of Northern Virginia and Calvert, Carroll and Frederick Counties in Maryland will be covered by Kaiser Permanente Medicare Plus (Cost). All other service area eligible members will be covered by Kaiser Permanente Medicare Advantage.

This is not a complete description of plan benefits. For details of each plan (Kaiser Permanente Medicare Plus (Cost) or Kaiser Permanente Medicare Advantage), please consult the appropriate Plan Summary of Benefits or Explanation of Benefits (EOC) document for each plan.

Please contact your Group Retiree Consultant for Medicare Cost B Only Rates.

2019 Medicare Plan Benefits—Plan A with Part D

BENEFIT	Plan A with D
<u>Annual Deductible</u>	No Annual Deductible
Annual Out-of-Pocket Maximum	\$3,400
Primary Care Physician Visits (Family Care, Internal Medicine)	\$15 copayment
Specialist	\$15 copayment
Routine Physical Exams	\$0 copayment
Diagnostic Imaging	\$0 for lab and x-ray
Therapeutic Radiology	\$15 copayment
Medicare Covered Preventive Care	\$0 copayment
<u>Prescription Drugs</u>	
Mail Order from Kaiser Permanente Mail Order Pharmacy	\$10 Generic or Brand Up to 90 days maintenance
Kaiser Permanente Medical Center Pharmacy	\$15 Generic or Brand Up to 60 days supply
Affiliated Network Pharmacy Giant, Rite Aid, Safeway, Target, Walmart	\$25 Generic or Brand Up to 60 days supply
Inpatient Hospitalization	\$100 per benefit period
Outpatient Surgery @ Surgery Center	\$0 copayment
Emergency Visits	\$50 copayment
Ambulance	\$0 copayment
Inpatient mental health	\$100 per benefit period
Outpatient mental health	\$15 copayment per visit
Inpatient chemical dependency	\$100 per benefit period
Outpatient chemical dependency	\$15 copayment per visit
<u>Other Health Services</u>	
Medicare Covered Chiropractic	\$15 copayment per visit
Physical and Speech Therapy	\$15 copayment per visit
Home Health, Hospice	\$0 copayment
Durable Medical Equipment	\$0 copayment
Dental discount plan (Plan provided through Dominion Dental)	\$30 examination, cleaning 2x per year + 25% discount with participating dentists
Vision hardware discounts (office visit copayment will apply)	25% off frames and lenses at Kaiser Permanente vision centers

2019 Kaiser Foundation Health Plan of the Mid-Atlantic States Group Medicare Health Plan Rates

Group Name: Lithographers & Photoengravers Local 285 (High Option) Underwriting Signature: Alex Haybok

Group # (PID) 5238 Subgroup/s (EU) 18, 201 Comments: _____

Effective Date: 1/1/2019 Date issued : 7/16/2018

Until CMS approval, these rates are preliminary and may be subject to change

Year 2019

Jurisdiction DC

KP Medicare Plan Name* C++ (with Part D Rx)

Commissions NA

Is this a National Group? No

Benefit Description*: Group Half Months Late 0

Office visit \$10

Inpatient Copay \$0

RX** MO/KP/ANP 5/10/15-withD

Dental \$30 preventive

Vision (including discounts) standard

DME \$0

ER \$50

Additional Rider Benefits:

Hearing Aid none

Chiropractic & Acupuncture none

Eyeglass Lenses & Frames & Contact Lenses none

Silver & Fit Fitness none

Comprehensive Dental none

Total pmpm (Medicare A, B, & D) \$301.13 (includes applicable state mandates)

\$0.00 0 Half months APP Load

Total pmpm (Medicare A, B, & D) & APP Load \$301.13

**** 60 day supply**

* Residents of Northern Virginia and Calvert, Carroll and Frederick Counties in Maryland will be covered by Kaiser Permanente Medicare Plus (Cost). All other service area eligible members will be covered by Kaiser Permanente Medicare Advantage.

This is not a complete description of plan benefits. For details of each plan (Kaiser Permanente Medicare Plus (Cost) or Kaiser Permanente Medicare Advantage), please consult the appropriate Plan Summary of Benefits or Explanation of Benefits (EOC) document for each plan.

Please contact your Group Retiree Consultant for Medicare Cost B Only Rates.

Medicare Plan Benefits—2019 Plan C++ with D

BENEFIT	Plan C++ with D
<u>Annual Deductible</u>	No Annual Deductible
Annual Out-of-Pocket Maximum	\$3,400
Primary Care Physician Visits (Family Care, Internal Medicine)	\$10 copayment
Specialist	\$10 copayment
Routine Physical Exams	\$0 copayment
Diagnostic Imaging	\$0 for lab and x-ray
Therapeutic Radiology	\$10 copayment
Medicare Covered Preventive Care	\$0 copayment
<u>Prescription Drugs</u>	
Mail Order from Kaiser Permanente	\$5 Generic or Brand Up to 90 days maintenance
Kaiser Permanente Medical Center Rx	\$10 Generic or Brand Up to 60 days supply
Affiliated Network Pharmacy Giant, Rite Aid, Safeway, Target, Walmart	\$15 Generic or Brand Up to 60 days supply
Inpatient Hospitalization	\$0 per benefit period
Outpatient Surgery @ Surgery Center	\$0 copayment
Emergency Visits	\$50 copayment
Ambulance	\$0 copayment
Inpatient mental health	\$0 per benefit period
Outpatient mental health	\$10 copayment per visit
Inpatient chemical dependency	\$0 per benefit period
Outpatient chemical dependency	\$10 copayment per visit
<u>Other Health Services</u>	
Medicare Covered Chiropractic	\$10 copayment per visit
Physical and Speech Therapy	\$10 copayment per visit
Home Health, Hospice	\$0 copayment
Durable Medical Equipment	\$0 copayment
Dental discount plan (25% discount when seen by participating dentists)	\$30 examination, cleaning 2x per year
Vision hardware discounts (office visit copayment will apply)	25% off frames and lenses at Kaiser Permanente vision centers