



CARE

RAILROAD HEALTHCARE

Serving Current and Former **BNSF** Railroaders

On Track!

Providing Health Care Benefits To Railroaders Since 1884

June 2017

Chief Executive Officer's Report June 6, 2017

FINANCIALS

Year to date through April 30, 2017, the unaudited financial for all plans combined reflects an excess of revenues over expenses of \$194,494.

Year to date through June 5, 2017, we have seen an increase in investments of \$663,380 which helps offset losses in all the Plans combined. By design, our investments are diversified to allow for swings in the market.

MEDICARE NEWS

We continue to strive to be CMS compliant on all CMS issues. Larry Latimer, **CARE** Corporate Treasurer, has successfully uploaded the 2016 HCPP Cost Report as he does every year. The desk review has been performed by the CMS contractor which resulted in the customary questions that were promptly answered. We expect a reimbursement of approximately \$250K which is in line with what we received in prior years.

PHARMACY BENEFIT MANAGEMENT (PBM) NEWS FOR PLAN #4000

➤ Contract renewed with Express Scripts for 2-year period 1/1/17 through 12/31/18		
➤ Results of 2016 Annual Review	<u>Plan Year 2016</u>	<u>% change from 2015</u>
• Avg. Subscribers per month	1,567	- 5.7
• Gross Plan cost	\$4,905,620	- 1.7
• Gross Plan cost pmpm (per member per month)	\$260.88	4.3
• Generic fill rate	88.7%	0.9
• Mail order rate	12.5%	2.7
• Specialty % of plan cost	8.6%	- 3.4
• Avg. estimated rebates	\$24.77 pmpm	
• Direct subsidy	\$27.07 pmpm	
• Fed. Reinsurance/CGD	\$37.13 pmpm	

Continued on Page 2

Inside This Issue

- Open Enrollment to Close, pg 2
- Prescription Drugs Authorization, pg 3
- Important Dates to Remember, pg 4
- Celebrating Years of Service, pg 3
- New Medicare ID Cards, pg 3
- Incentive Program Ends, pg 4

CEO's Report to the Board *Continued from Page 1*

- Results of First Quarter 2017 data:
 - The generic fill rate decreased slightly from Fourth Quarter 2016 to 87.98%
 - Experiencing 92.5% retail utilization and 6.4% in mail order
 - 107 transactions in which **CARE's** portion of the cost of the drugs were in excess of \$1,000 (mainly specialty drugs)
 - Dispensing fees are in line with those negotiated in the contract
- Positives thus far in 2017:
 - Incorporated \$100 deductible resulting in savings to the Plan
 - Slight adjustments to some copays has resulted in savings
- Things to monitor:
 - The rise in utilization of specialty drugs, compounds (bio-similars), top trend drivers such as diabetes, cancer and memory loss drugs as well as high cost cholesterol drugs

OPERATIONS

- Human Resources:
 - 16 full-time employees – 2 of the employees are on a reduced hour workload (30-32 hours per week)
- The Membership Drive Program – Implemented the latter part of 2014 resulting in 140 new **CARE** members.
- There are no anticipated Capital Expenditures at this time
- United Healthcare adjusted the lifetime maximum for GA46000 from \$151,600 to \$157,800 effective January 1, 2017

UPCOMING/ONGOING PROJECTS

- We are working with our actuary/pharmacy benefit management consultant and Express Scripts to develop the proposed 2018 RX benefit design for our Plan #4000 members. Once a proposed design is developed, a conference call (July or early August) will be scheduled to discuss in detail. Shortly thereafter, we will be working with the actuary to develop proposed dues rates and benefit changes for 2018.
- Begin drafting all Enrollment materials in August for distribution post September / October board meeting.
- Throughout the remainder of the year, we will be attending Railroad Retirement Board-sponsored meetings in several locations and upon invitation, we will continue to attend NARVRE meetings as well.

The next scheduled meeting of the CARE Board will be held September 26, 2017.

CARE OPEN ENROLLMENT FOR NEW MEMBERS TO CLOSE EFFECTIVE JULY 1, 2017

At the Board of Directors meeting held June 6, 2017, the Board made the decision to close Open Enrollment for all Plans effective July 1, 2017. The reason for this decision was to maximize the current **CARE** assets for the existing members of **CARE**.

Each of you have paid dues all these years allowing **CARE** the opportunity to build ample reserves to support those of you for which the **CARE** Board and Staff are privileged to serve.

We are grateful and appreciative of your continued confidence and support of **CARE!**

Our People Make CARE Successful

Employees Celebrating Years of Service with CARE



Kim Stinnett 20 years
Benefits / Claims Processing
Customer Service Manager



Ed Paramore 35 years
Information Technology Manager



Kathy Hampton 20 years
Medicare Compliance Officer

Your Prescription Drugs and Prior Authorization for Plan #4000 Members

When trying to get a prescription filled, you may have experienced your drug being “rejected” because a prior authorization (PA) was required but not received. Although this can sometimes feel like an inconvenience, prior authorization is a routine screening process necessary for certain medications before a pharmacist can dispense your medication. In general, if you are told you need prior authorization, it means your pharmacist needs more clinical information from your doctor before filling your prescription. There are many reasons a drug may require a prior authorization. One reason may be to verify that the prescribed medication is appropriate and necessary.

This being said, you or your doctor will be required to receive prior authorization for those drugs that require one. As a reminder, drugs which require a prior authorization are noted with “PA” next to them on your formulary “drug list,” therefore, you may wish to check the list first.

If a prior authorization is required, you will need to receive approval by calling *Express Scripts* at the numbers listed below, before you fill your prescriptions. If you do not get approval through the PA process, **CARE** may not cover the drug. Again, in order to receive approval for drugs that require a PA, either you or your doctor must contact *Express Scripts*.

You can call the members PA line at 1.800.935.6103.

Your doctor can call the doctors PA line at 1.844.374.7377.

New Medicare Identification Cards To Be Issued 2018 / 2019

The Centers for Medicare and Medicaid Services (CMS) announced that they will stop using Social Security numbers for identification purposes. The new identification number will be known as the **Medicare Beneficiary Identifier**. This change will help in discouraging identify theft, which has recently become widespread.

CMS will issue new Medicare cards to beneficiaries beginning April 2018 and through December 31, 2019. Medicare beneficiaries should continue to use their current Medicare card until their new Medicare card is received. Please note, CMS estimates more than 47 million Medicare beneficiaries will be receiving new cards, therefore, if you do not receive your card right away, do not be alarmed as you will still be able to use your old Medicare card during the transition period.

Once you receive your card in 2018/2019 with your new **Medicare Beneficiary Identifier** you will need to show this to your healthcare provider so they can update their records.

Please note **CARE** members will not be receiving an On Track newsletter November 2017.

Any new or pertinent information regarding your plan will be included in your 2018 Dues and Benefit notice which will be mailed during the month of October 2017.



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CARE MEMBERSHIP INCENTIVE PROGRAM TO END EFFECTIVE JULY 1, 2017

At the Board of Directors meeting held June 6, 2017, the Board made the decision to end the membership incentive program for all Plans effective July 1, 2017.

A big **THANK YOU** to all of you that brought in new **CARE** members. We appreciate your membership in **CARE** and your past assistance in bringing in new members.

Express Scripts Medicare (PDP)

Customer Care
is available toll-free,
24 hours a day,
7 days a week
at

1.866.725.2511

TTY/TTD users should call
1.800.716.3231

CARE Members

For Questions You May Have contact
the CARE office at 1.800.334.1330

Benefits/Claims Processing/

Customer Service

Kimberly Stinnett

Member Services

Berenice Hensley

Provider Relations

Terry Booth

Medicare Compliance Officer

Kathy Hampton

General Information

Lee Todaro

Important Dates to Remember for Plan #4000 and Plan #4100 Members

**October 15 - December 7, 2017
Medicare Open Enrollment** –
During this time, **CARE** Medicare
members have the opportunity to
make selection changes to their
current plan.

November 2017 – 2018 **CARE**
Medicare Secondary Plan Benefit
Guide will be mailed to members
in Plan #4000 and Plan #4100.

November 2017 – Plan #4000
members will be receiving infor-
mation from *Express Scripts Medi-
care* (PDP) which will include the
Annual Notice of Change (ANOC)
and Benefits Overview for Plan
Year 2018.

Also included will be a copy of
the List of Covered Drugs (“For-
mulary”) to be effective January
1, 2018.

The “On Track” newsletter is published by the Consolidated Associations of Railroad Employees. If you would like to submit articles or announcements concerning Health & Welfare for publication in future editions, you may contact Berenice Hensley at bereniceh@carehealthplan.com. Inclusion of articles will be subject to space available and appropriateness as judged by **CARE** Administration.