

# RESOLUTION OF THE CITY COUNCIL

No. 316

Approved July 2, 2014

RESOLVED, That the Providence City Council hereby endorses and ratifies the consent judgment dated April 7, 2014, a copy of which is attached, resolving certain pension issues related to certain non-union police and fire employees and certain non-union police and fire retirees of the City of Providence.

IN CITY COUNCIL

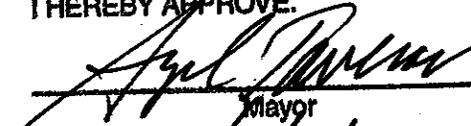
JUN 23 2014

READ AND PASSED

  
PRES.

  
CLERK  
ACTING

I HEREBY APPROVE.

  
Mayor  
Date: 7/2/14

COMMITTEE ON ANAS & SYAN MO BETTING  
JAN 22 AT 10:00 AM  
CITY OF PROVIDENCE  
CLERK

STATE OF RHODE ISLAND  
PROVIDENCE, SC.

SUPERIOR COURT.

HUGH T. CLEMENTS, THOMAS F. OATES, )  
THOMAS A. VERDI, FRANCISCO COLON, )  
DAVID LAPATTN, MICHAEL DILLON, )  
PAUL J. THOMAS, DANIEL CROWLEY, )  
JAMES MIRZA, JOSEPH R. DESMARAIS, )  
JAMES TAYLOR, CLARENCE CUNHA, )  
and FRANK G. SILVA III, )

COPY

Plaintiffs )

VS. )

C.A. No. 13-5077

THE CITY OF PROVIDENCE, by and through )  
its Treasurer, JAMES J. LOMBARDI, )

Defendant )

**CONSENT JUDGMENT**

**RECITALS**

A. On or about October 9, 2013, the Plaintiffs (sometimes referred to herein as the "Management Group") commenced a lawsuit against the City of Providence (the "City") (C.A. No. 13-5077).

B. In their complaint, the Plaintiffs sought a declaratory judgment and damages.

C. More specifically, the Plaintiffs alleged that the State of Rhode Island's enactment of R.I.G.L. §28-54-1 (the "Statute") and the City's subsequent enactment of Chapter 2011-32 Ordinance No. 422 (the "Medicare Ordinance") resulted in the unilateral change of healthcare benefits for the Plaintiffs notwithstanding the City's obligations created under any other statute, ordinance, interest arbitration award, collective bargaining agreement or contract to the contrary.

TR  
4-17-14

D. In response, the City alleged that the Statute and the Medicare Ordinance were a valid exercise of the police power of the State of Rhode Island and of the City and comported with the requirements of the State of Rhode Island and United States Constitutions.

E. On or about April 30, 2012, the Providence City Council passed and the Mayor signed into law, Chapter 2012-20 Ordinance No. 276 (the "Pension Ordinance") amending Article VI, Section 17 of the Providence Code of Ordinances dealing with its retirement system (the "Retirement Ordinances"). Among other things, the Pension Ordinance suspends certain cost-of-living adjustments and places caps on the amount of annual pensions.

F. The parties have agreed to settle the Management Group's claims regarding both the Medicare Ordinance and the Pension Ordinance and to enter into this Consent Judgment which embodies the terms of the Settlement. In addition, the City recognizes that the issues set forth in the Plaintiffs' complaint are subject to being repeated after the entry of this Consent Judgment as members of the police department and fire department are promoted to positions outside of the bargaining unit and wishes to resolve that issue to the extent possible.

Accordingly, it is thereby:

**ORDERED, ADJUDGED AND DECREED as follows:**

**As to the Medicare Ordinance**

1. Except as modified by the terms of this Consent Judgment, the Medicare Ordinance shall remain in full force and effect.

2. Upon retirement, any Plaintiff shall continue to receive fully paid healthcare benefits as they presently exist with the full cost of said healthcare benefits being paid for by the City as such costs are currently paid for by the City; provided, however, that effective from July 1, 2013 to June 30, 2014

any Plaintiff shall be required to pay a co-share in the amount of either \$900 per year (i.e. \$75 per month) for an individual plan or \$1,800 per year (i.e. \$150 per month) for a family plan. Effective July 1, 2014, such co-share payments shall increase to \$1,075 for an individual plan and \$2,150 for a family plan. Such co-share payments shall be made monthly and, if permitted by applicable law, on a "pre-tax" basis.

3. Notwithstanding anything herein to the contrary, to the extent any of the Plaintiffs are firefighters hired on or after July 1, 1996, upon retirement such Plaintiffs shall only receive individual healthcare coverage.

4. Notwithstanding anything herein to the contrary, to the extent any of the Plaintiffs are police officers hired on or after July 1, 1998, upon retirement such Plaintiffs shall only receive individual healthcare coverage.

5. As the individual Plaintiffs retire and turn age 65, they shall enroll in Medicare during their initial enrollment period (three months prior to their birth month and three months after their birth month).

6. Any Plaintiff not eligible to enroll in Medicare shall continue to receive fully paid healthcare benefits as they presently exist with the full cost of said healthcare benefits being paid for by the City as such costs are currently paid for by the City; provided, however, effective from July 1, 2013 to June 30, 2014, that any such Plaintiff shall be required to pay a co-share in the amount of either \$900 per year (i.e. \$75 per month) for an individual plan or \$1,800 per year (i.e. \$150 per month) for a family plan. Effective July 1, 2014, such co-share payments shall increase to \$1,075 for an individual plan and \$2,150 for a family plan. Such co-share payments shall be made monthly and, if permitted by applicable law, on a "pre-tax" basis. Any such Plaintiff shall provide to the City's Benefits Department a copy of the official Medicare denial letter.

7. Whether a Plaintiff is eligible to enroll in Medicare shall be determined by whether that individual qualifies under Medicare Part A without paying a premium and is at least sixty-five (65) years of age.

8. After retirement, Plaintiffs who have enrolled in Medicare shall be responsible to pay the monthly premium for Medicare Part B.

9. The City shall be responsible to pay for the following in connection with Medicare benefits for the retired individuals of the Management Group:

(a) A plan as summarized in *Exhibit A* hereto to supplement Medicare Parts A and B, the terms of which have been agreed to by the parties, and which will be equivalent to the Blue Cross coverage in effect on June 29, 2011. A summary of the terms is attached hereto as *Exhibit A*.

(b) The City is responsible for the payment of the premium for Blue Medicare Rx (PDP) with a \$10/\$20 co-payment. A summary of benefits is attached as *Exhibit B*. This plan covers anyone living in the United States. There is no donut hole under this plan. Where a particular drug was previously covered under Caremark (the "original drug"), but is not covered under this plan, then the following process shall take place: (i) The retiree shall first try an alternative medically equivalent drug; (ii) if thereafter the retiree's physician deems the original drug medically necessary, then the City shall be required to pay the cost of the original drug.

10. In the event that a receiver is appointed for the City or if the City files any insolvency proceedings, and in either event there is an attempt to change any of the terms of this Consent Judgment, then any Plaintiff shall have the option to have this Consent Judgment vacated as it applies to him and then be able to contend that all previous healthcare benefits that were in place on or before June 29, 2011 be available to him, with full reservation by the City of its rights, claims and defenses in any such case, including, without limitation, the right to reject, impair or otherwise modify any executory or other form of contract under applicable federal or state law; except that the defenses of laches or the statute of

limitations shall not be available to the City. The remedy set forth in this paragraph is not intended to be the sole and exclusive remedy of the parties, but shall be in addition to any other remedy that may be available to the parties under law.

11. The City also agrees that in the event that it files any insolvency proceedings, then any plan with respect to the Plaintiffs' healthcare benefits until there is a formal Plan of Adjustment, shall be governed by this Consent Judgment. In addition, and to the extent allowable by law, this Consent Judgment shall be deemed to be the Plan of Adjustment with respect to Plaintiffs' benefits during any insolvency proceedings.

**As to the Pension Ordinance**

12. Except as modified by the terms of this Consent Judgment, the Pension Ordinance shall remain in full force and effect; provided, however, that if any provision of the Pension Ordinance is contrary to any past, present or future collective bargaining agreement by and between the City and the FOP or by and between the City and the IAFF (as the case may be with respect to each of the Plaintiffs), the applicable provision of the collective bargaining agreement solely in respect to any pension right or benefit shall prevail unless specifically modified by this Consent Judgment.

13. COLAs shall be suspended between January 1, 2013 and December 31, 2022.

14. On or before January 31, 2018, a \$1,500 stipend will be paid to any Plaintiff who has retired and whose pension is less than \$100,000. Any stipend paid will not be paid from the Retirement Fund and will not increase a Plaintiff's base pension.

15. On or before September 30, 2020, a stipend of up to \$1,500 may be paid to any Plaintiff who has retired and whose pension is less than \$100,000. Payment of this stipend is conditioned upon the achievement of a mutually acceptable agreement for the City to enter into a self-insured or other

dental plan and the achievement of savings thereunder. The savings from any such plan shall be cumulative.

16. On January 1, 2023, COLAs will be restored to Plaintiffs who have retired at the rate of 3% compounded annually. The resumption of the calculation and payment of the COLA as of January 1, 2023 shall be irrespective of the funding level of the pension fund. In the event the City restores the COLA to retired members of the Fire Union or the Police Union prior to January 1, 2023, the COLA shall be likewise restored to any Plaintiff on the same terms and conditions.

17. Once restored, COLAs shall not be paid to anyone whose pension—as a result of the COLA payment—would exceed the lesser of 150% of the State of Rhode Island median household income (as determined by the American Community Survey of the United States Census Bureau in that year) or the compensation of a current employee holding the same rank that the Plaintiff held at the time of his retirement. In all events, the cap provided herein shall not be lower than 150% of the State Median Household Income (as defined above) as of 2011.

18. No retired Plaintiff's annual pension benefit amount, including, if any, COLA, shall exceed the annual base salary in any given applicable year of any active member of the police or fire department (as the case may be with respect to each of the Plaintiffs) of the same rank at which the Plaintiff retired. In the event that any retired Plaintiff's annual pension exceeds said active member's annual base salary, that retired Plaintiff's pension amount, including COLA, shall be frozen until it no longer exceeds the active member's base salary.

19. The suspension or change in the calculation of the COLA affected by the terms of this Consent Judgment shall not apply to any beneficiary of any Plaintiff who has died in the line of duty.

20. For the period of 2013-2033, the City will use its best efforts to fully fund the pension's Annual Required Contribution ("ARC"), but in no event shall it be less than 95%. Thereafter, the City

shall be required to fund the ARC no less than 95% whenever the pension fund is less than 80% funded as determined by the City's actuary.

21. For the period of January 1, 2013 to December 31, 2022, the provisions of City Ordinance Section 17-190(4) which may be applicable to the Plaintiffs shall not be amended or rescinded by the City.

22. Plaintiffs' "Final Compensation" shall mean the average of the highest four (4) consecutive years of compensation, including longevity payments and other payments included in the Retirement-Eligible Pay pursuant to any collective bargaining agreement between the City and the FOP or the City and the IAFF (as the case may be with respect to each of the Plaintiffs), and excluding overtime pay and detail pay.

23. Notwithstanding any provision in the Pension Ordinance to the contrary, disability pensions shall be awarded at a rate of Sixty-Six and Two-Thirds Percent (66 2/3%) of each such person's final compensation.

24. In the event that a receiver is appointed for the City or if the City files any insolvency proceedings, and in either event there is an attempt to change any of the terms of this Consent Judgment, then any Plaintiff shall have the option to have this Consent Judgment vacated as it applies to him and then be able to contend that all previous pension benefits (including, but not limited to, COLAs) that were in place on or before April 29, 2012 be available to him, with full reservation by the City of its rights, claims and defenses in any such case, including, without limitation, the right to reject, impair or otherwise modify any executory or other form of contract under applicable federal or state law; except that the defenses of laches or the statute of limitations shall not be available to the City. The remedy set forth in this paragraph is not intended to be the sole and exclusive remedy of the parties, but shall be in addition to any other remedy that may be available to the parties under law.

25. The City also agrees that in the event that it files any insolvency proceedings, then any plan with respect to the Plaintiffs' healthcare benefits until there is a formal Plan of Adjustment, shall be governed by this Consent Judgment. In addition, and to the extent allowable by law, this Consent Judgment shall be deemed to be the Plan of Adjustment with respect to Plaintiffs' benefits during any insolvency proceedings.

**As to Future Management Group Employees**

26. The City recognizes that the issues set forth in the Plaintiffs' complaint are subject to being repeated after the entry of this Consent Judgment as members of the police department and fire department are promoted to positions outside of the bargaining unit and as those same individuals thereafter retire. Rather than having to re-litigate the issues set forth in the Plaintiffs' complaint each time that occurs, the City may allow future management group employees to be covered by the terms of this Consent Judgment. In such case, the City shall advise the retiring employee that it is willing to be bound by this Consent Judgment and will take the following actions in furtherance of same: (a) provide future management group employees a copy of this Consent Judgment when they notify the City of their intent to retire; and (b) allow any future management group employee to make a written election to be bound by the terms of this Consent Judgment. Such election shall be made prior to the effective date of the individual's retirement. If the individual fails to make such an election, then the terms of the Medicare Ordinance and the Pension Ordinance shall be applicable to that individual. Nothing contained herein shall be construed to require the City to give any future management group employees the option to make the election provided for under this Paragraph #26.

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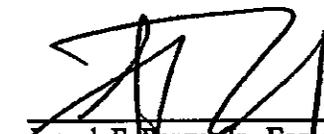
ORDER:

Ray Carter, J  
Judge

[Signature]  
Clerk 4/7/14

Dated: 4-7-14

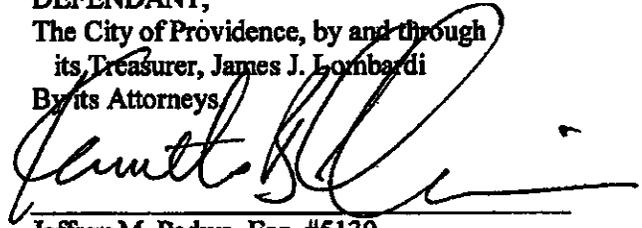
PLAINTIFFS,  
Hugh T. Clements, et al.,  
By their Attorney,



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DEFENDANT,  
The City of Providence, by and through  
its Treasurer, James J. Lombardi  
By its Attorneys,



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# **EXHIBIT A**

# EXHIBIT A

## City P&F Retirees 65 - PF1R pkg 001 Benefit Summary

This plan is secondary coverage to Medicare. Members must present their BCBSF card and Medicare card as Medicare is primary coverage.

- An extensive nationwide network. You can receive in-network coverage from more than 838,000 doctors and 4,300 hospitals through the BlueCross PPO network.
- No paperwork for in-network services. Simply show your BCBSF member ID card, and the provider will do the rest. You're only responsible for paying any applicable copayment, coinsurance or deductible.
- The freedom to choose. If you visit an out-of-network provider for covered services, simply pay for the service up front and then file a claim for reimbursement. You may have to pay higher out-of-pocket costs when you visit non-network providers. Please see your plan's subscriber agreement for details or call Customer Service.

	Within the BlueCross PPO Network, you pay:	Outside of the BlueCross PPO Network, you pay:	Notes
<b>Deductible</b>	None	\$100 per individual	Flat dollar copayments do not apply to the deductible.
<b>Coinurance</b>	0%	20%	
<b>Out-of-pocket maximum</b>	None	\$1,000 per individual	Once you exceed this amount, we will pay up to our allowance for most covered services. Deductibles and copayments do not apply to your out-of-pocket maximum.
<i>Please remember that you are responsible for paying any copayment, coinsurance, and/or deductible to your provider. This is a standing requirement when receiving healthcare services. Copayments are due at the time of service. Any coinsurance and/or deductible amounts can be paid at the time of service or within the time frame specified by your provider. Coinsurance and deductible amounts are shown on the explanation of benefits (EOB) that we send to you after processing your claim. You must pay the provider the total amount shown in the section labeled "Your Responsibility" on the EOB.</i>			
<b>Preventive Care</b>			
<b>Adult preventive care</b>	\$10	\$10 plus 20% after deductible	Includes one physical exam and one gynecological exam per calendar year.
<b>Pediatric preventive care</b>	\$10	\$10 plus 20% after deductible	
<b>Immunizations</b>	\$0	20% after deductible	Includes adult immunizations. An office visit copayment will apply if the provider bills for the immunization administration in addition to an office visit.
<b>Lab services, including tests, and X-rays</b>	\$0	20% after deductible	Includes Pap smears, screening mammograms, and prostate-specific antigen (PSA) tests.
<b>Office Visits</b>			
<b>Primary care physician (PCP)</b>	\$10	\$10 plus 20% after deductible	
<b>Specialist</b>	\$10	\$10 plus 20% after deductible	Podiatrist visits that care not covered unless systemic conditions exist. Chiropractic visits are limited to 12 per calendar year. \$15 Copayment for dermatologist & sleep visit. Routine eye exams are limited to 1 per calendar year.
<b>Outpatient Services</b>			
<b>Outpatient surgical care by a doctor's office</b>	\$0	20% after deductible	
<b>Lab services, including tests, and X-rays (inpatient)</b>	\$0	20% after deductible	

STB 10.10.25

continued

	Within the BlueCard® PPO Network (no pay)	Outside of the BlueCard® PPO Network (you pay)	Notes
<b>Hospital Services</b>			
<b>Hospital inpatient services</b> • acute care • surgery	\$0	20% after deductible	Unlimited days at general, specialty, or mental health hospital. Up to 45 days per calendar year for physical rehabilitation.
<b>Mental Health and Chemical Dependency Treatment Services</b>			
<b>Inpatient</b>	\$0	20% after deductible	
<b>Outpatient</b>	\$0	20% after deductible	
<b>Office Visit</b>	\$18	\$18 plus 20% after deductible	
<b>Urgent Care or Emergency Care</b>			
<b>Urgent care center</b>	\$10	\$10 plus 20% after deductible	
<b>Emergency room care</b>	\$25	\$25	If emergency room visit results in hospital admission, \$25 copayment is waived. You may be billed an additional specialist copayment if you are seen by a specialist in the emergency room.
<b>Anesthesia services</b>	\$50	\$50	Coverage for medically necessary anesthesia services. Air and water substances are limited to a maximum of \$2,000 per occurrence.
<b>Additional Services</b>			
<b>Physical/occupational therapy</b>	20%	20% after deductible	
<b>Durable medical equipment (DME)</b>	20%	20% after deductible	Must be purchased from a participating DME provider. Providers are NOT participating in the DME network.
<b>Home and hospice care</b>	0%	20% after deductible	Includes physician, nurse, and home health aide visits.
<b>Skilled nursing facility care</b>	\$0	20% after deductible	
<b>Hearing aids</b>	20%	20%	Limit: \$700 per ear if over age 18. Allowed once every three years.

*This grid provides a general summary of your benefits. It is not a contract. For details about your coverage, including any limitations or exclusions not noted here, please refer to your benefit booklet or call our Customer Service Department at (408) 438-8200 or 1-800-638-3228 (outside of Florida only). If you have any questions about receiving medical care, call your personal care physician.*

**Key Terms**

**Copayment:** The percentage of our allowance that you must pay for a covered healthcare service.

**Copayment:** A fixed dollar amount that you must pay for a covered healthcare service.

**Deductible:** A fixed amount that you must pay for covered healthcare services each calendar year before we start to pay for those services.

**Out-of-pocket maximum:** Highest amount of coinsurance that you must pay each calendar year for certain covered healthcare services.

**Primary care physician (PCP):** Includes family practitioners, internists, and pediatricians.

**Specialist:** Includes initial visits to all other medical providers who specialize in a certain area of medicine, such as but not limited to: oncology, cardiology, obstetrics, dermatology, or surgery.

### How Your Deductible Works

Your plan features a deductible for services provided outside the BlueCard network. The deductible is the amount of covered expenses you must pay per calendar year before we start to pay for covered services.



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500 Exchange Street • Palm Beach, FL 33480-2800  
 Blue Cross Blue Shield of Florida is an Equal Opportunity Employer  
 and the Cross on the Shield Symbol.

9/04 10/01/07

**EXHIBIT B**



## | Blue MedicareRx<sup>SM</sup> (PDP)



### **2014 Summary of Benefits Blue MedicareRx<sup>SM</sup> (PDP)**

**Employer Group Medicare Prescription Drug Plan  
with supplemental coverage**

**\$10 / \$20**

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## **Section I: Introduction**

**Introduction to the Summary of Benefits  
for Your Blue MedicareRx Plan**

**For January 1, 2014 - December 31, 2014**

**Thank you for your interest in Blue MedicareRx. Blue MedicareRx includes standard Medicare Part D benefits supplemented with coverage provided by your former employer/union health plan. Blue MedicareRx is referred throughout this Summary of Benefits as "plan" or "this plan."**

**This plan is offered by Blue Cross & Blue Shield of Rhode Island, a Medicare Prescription Drug Plan that contracts with the Federal government.**

**This Summary of Benefits tells you some features of our plan. It doesn't list every drug we cover, every limitation, or exclusion. To get a complete list of our benefits, please call us and ask for the "Evidence of Coverage."**

## **You Have Choices In Your Medicare Prescription Drug Coverage**

You are being offered this plan as part of your former employer's retiree benefits. As a Medicare beneficiary, you can choose from different Medicare prescription drug coverage options. You can choose from Blue MedicareRx offered by your former employer, or an Individual (non-group) Medicare Prescription Drug Plan. Another option is to get your prescription drug coverage through an Individual (non-group) Medicare Advantage Plan (MA) that offers prescription drug coverage. If you enroll in an Individual (non-group) plan, you may not be eligible to enroll in your employer's retiree plan in the future. Please contact your former employer's group administrator for information on eligibility requirements for your retiree plan.

## **How Can I Compare My Options?**

The chart in this booklet lists some important drug benefits. You can use this Summary of Benefits to compare the benefits offered by this plan to the benefits offered by other Medicare Prescription Drug Plans or Medicare Advantage Plans with prescription drug coverage.

## **Where Is This Plan Available?**

As a member of your former employer's retiree plan, you may enroll in this plan as long as you live in the United States.

## **Who Is Eligible to Join?**

You can join this plan if you are entitled to Medicare Part A and/or enrolled in Medicare Part B and live in the service area.

If you are enrolled in a MA continued care (HMO or PPO) plan or a MA private fee-for-service (MA PFFS) plan that includes Medicare prescription drugs, you may not enroll in a prescription drug plan (PDP) unless you disenroll from the HMO, PPO or MA PFFS plan.

Enrollees in a private fee-for-service (PFFS) plan that does not provide Medicare prescription drug coverage or a MA Medical Savings Account (MSA) plan may enroll in a PDP. Enrollees in an 1876 Cost plan may enroll in a PDP.

## **Where Can I Get My Prescriptions?**

This plan has formed a network of pharmacies. You must use a network pharmacy to receive plan benefits. We will not pay for your prescriptions if you use an out-of-network pharmacy, except in certain cases.

The pharmacies in our network can change at any time. You can ask for a Pharmacy Directory or visit us at <http://Groups.RxMedicarePlans.com>. Our Customer Care number is listed on the back cover of this booklet.

### **What If My Doctor Prescribes Less Than a Month's Supply?**

In consultation with your doctor or pharmacist, you may receive less than a month's supply of certain drugs. Also, if you live in a long-term care facility, you will receive less than a month's supply of certain brand and generic drugs. Dispensing fewer drugs at a time can help reduce cost and waste in the Medicare Part D program, when this is medically appropriate.

The amount you pay in these circumstances will depend on whether you are responsible for paying coinsurance (a percentage of the cost of the drug) or a copay (a flat dollar amount for the drug). If you are responsible for coinsurance for the drug, you will continue to pay the applicable percentage of the drug cost. If you are responsible for a copay for the drug, a "daily cost-sharing rate" will be applied. If your doctor decides to continue the drug after a trial period, you should not pay more for a month's supply than you otherwise would have paid. Contact your plan if you have questions about cost-sharing when less than a one-month supply is dispensed.

### **Does My Plan Cover Medicare Part B or Part D Drugs?**

This plan does not cover drugs that are covered under Medicare Part B as prescribed and dispensed. Generally, we only cover drugs, vaccines, biological products and medical supplies associated with the delivery of insulin that are covered under the Medicare Prescription Drug Benefit (Part D) and that are on our formulary.

### **What Is a Prescription Drug Formulary?**

This plan uses a formulary. A formulary is a list of drugs covered by your plan to meet patient needs. We may periodically add, remove, or make changes to coverage limitations on certain drugs or change how much you pay

for a drug. If we make any formulary change that limits our members' ability to fill their prescriptions, we will notify the affected members before the change is made. We will send a formulary to you and you can see our complete formulary on our website at <http://Groups.RxMedicarePlans.com>.

If you are currently taking a drug that is not on our formulary or subject to additional requirements or limits, you may be able to get a temporary supply of the drug. You can contact us to request an exception or switch to an alternative drug listed on our formulary with your physician's help. Call us to see if you can get a temporary supply of the drug or for more details about our drug transition policy.

### **What Should I Do if I Have Other Insurance in Addition to Medicare?**

If you also have a Medigap (Medicare Supplement) plan through your former employer, your Medigap plan benefits will work with your Medicare Part D Plan. If you have an individual (non-group) Medigap policy that includes prescription drug coverage, you must contact your Medigap Issuer to let them know that you have joined a Medicare Prescription Drug Plan. If you decide to keep your current Medigap policy, your Medigap Issuer will remove the prescription drug coverage portion from your Medigap policy. This will occur as of the effective date of your Medicare Prescription Drug Plan coverage. Your Issuer will adjust your premium. Call your Medigap Issuer for details.

### **How Can I Get Extra Help With My Prescription Drug Plan Costs or Get Extra Help with Other Medicare Costs?**

You may be able to get extra help to pay for your prescription drug premiums and costs as well as get help

with other Medicare costs. To see if you qualify for getting extra help, call:

- 1-800-MEDICARE (1-800-633-4227). TTY/TTD users should call 1-877-486-2048, 24 hours a day, 7 days a week; and see <http://www.medicare.gov> "Programs for People with Limited Income and Resources" in the publication *Medicare & You*.
- The Social Security Administration at 1-800-772-1213 between 7 a.m. and 7 p.m., Monday through Friday. TTY/TTD users should call 1-800-325-0778; or
- Your State Medicaid Office.

#### **What Are My Protections in This Plan?**

All Medicare Prescription Drug Plans agree to stay in the program for a full calendar year at a time. Plan benefits and cost-sharing may change from calendar year to calendar year. Each year, plans can decide whether to continue to participate with the Medicare Prescription Drug Program. A plan may continue in their entire service area (geographic area where the plan accepts members) or choose to continue only in certain areas. Also, Medicare may decide to end a contract with a plan. Even if your Medicare Prescription Plan leaves the program, you will not lose Medicare coverage. If a plan decides not to continue for an additional calendar year, it must send you a letter at least 90 days before your coverage will end. The letter will explain your options for Medicare coverage in your area.

As a member of this plan, you have the right to request a coverage determination, which includes the right to request an exception, the right to file an appeal if we deny coverage for a prescription drug, and the right to file a

grievance. You have the right to request a coverage determination if you want us to cover a Part D drug that you believe should be covered. An exception is a type of coverage determination. You may ask us for an exception if you believe you need a drug that is not on our list of covered drugs or believe you should get a non-preferred drug at a lower out-of-pocket cost. You can also ask for an exception to cost utilization rules, such as a limit on the quantity of a drug. If you think you need an exception, you should contact us before you try to fill your prescription at a pharmacy. Your doctor must provide a statement to support your exception request. If we deny coverage for your prescription drug(s), you have the right to appeal and ask us to review our decision. Finally, you have the right to file a grievance if you have any type of problem with us or one of our network pharmacies that does not involve coverage for a prescription drug. If your problem involves quality of care, you also have the right to file a grievance with the Quality Improvement Organization (QIO) for your state. Please refer to the Evidence of Coverage (EOC) for the QIO contact information.

#### **What is a Medication Therapy Management (MTM) Program?**

A Medication Therapy Management (MTM) Program is a free service we offer. You may be invited to participate in a program designed for your specific health and pharmacy needs. You may decide not to participate but it is recommended that you take full advantage of this covered service if you are selected. Contact Blue MedicareRx for more details.

## Section 2: Summary of Benefits

If you have any questions about this plan's benefits or costs, please contact Blue MedicareRx for details.

**Prescription Drugs:** Drugs covered under your Medicare Part D Prescription Drug Plan

The benefits described below are offered by Blue MedicareRx, a standard Medicare Part D plan supplemented with benefits provided by your former employer.

### Blue MedicareRx Plan

Initial Coverage Level	<i>You pay the following until your total yearly drug costs reach \$2,850:</i>	
Tier 1	Generic Drugs	30-day supply at a network Retail pharmacy
Tier 2	Brand Drugs	\$10 \$20
Tier 1	Generic Drugs	90-day supply at a network Retail pharmacy <sup>2</sup>
Tier 2	Brand Drugs	\$30 \$60
<p>Not all drugs on these tiers are available at this extended day supply. Please contact the plan for more information.</p>		
Tier 1	Generic Drugs	90-day supply through network Mail-Order pharmacy
Tier 2	Brand Drugs	\$10 \$40
<p>Not all drugs on these tiers are available at this extended day supply. Please contact the plan for more information.</p>		
<p><i>After your total yearly drug costs reach \$2,850, your former employer provides supplemental coverage that will keep your copayments and/or coinsurance as outlined above.</i></p> <p><i>Your copayments and/or coinsurance will not change until you qualify for Catastrophic Coverage.</i></p>		
Coverage Gap		

**Blue MedicareRx Plan**

<b>Catastrophic Coverage</b>	<i>After your yearly out-of-pocket drug costs reach \$4,550:</i>
Generics (including brand drugs treated as generic)	\$2.55
All other drugs	\$6.35

<sup>1</sup>All covered drugs are on the Blue MedicareRx formulary/drug list.

<sup>2</sup>Available at retail pharmacies that have agreed to allow members to fill 90-day supplies of their prescriptions.

**General Information**

In some cases, the plan requires you to first try one drug to treat your medical condition before they will cover another drug for that condition.

Certain prescription drugs will have maximum quantity limits.

Your provider must get prior authorization from Blue MedicareRx for certain prescription drugs.

Covered Part D drugs are available at out-of-network pharmacies in special circumstances, including illness while traveling outside of the plan's service area where there is no network pharmacy. Your copayment and/or coinsurance at out-of-network pharmacies is the same as at network pharmacies and depends on whether you purchase a Generic, Brand or Specialty drug. However, if you go to an out-of-network pharmacy, you are responsible for the difference between the amount charged at the out-of-network pharmacy and what your plan would have paid at a network pharmacy.

The Medicare Coverage Gap Discount Program provides manufacturer discounts on brand name drugs to Part D enrollees who have reached year-to-date "total drug costs" of \$2,850 and are not already receiving "Extra Help."

If you have reached year-to-date "total drug costs" of \$2,850, your former employer provides supplemental coverage that will keep your copayments and/or coinsurance in the Coverage Gap the same as what you pay in the Initial Coverage Level. Both the amount you pay and the amount discounted by the manufacturer count toward your out-of-pocket costs and move you through the Coverage Gap. The amount discounted by the manufacturer will count toward your out-of-pocket costs as if you had paid this amount. Your Explanation of Benefits (EOB) will show any discounted amount provided.

Once your out-of-pocket costs reach \$4,550, you will move to the Catastrophic phase and the Medicare Coverage Gap Discount Program will no longer be applicable.

If you have any questions about the availability of discounts for the drugs you are taking or about the Medicare Coverage Gap Discount Program in general, please contact Customer Care.

### Multi-language Interpreter Services

**English:** We have free interpreter services to answer any questions you may have about our health or drug plan. To get an interpreter, just call us at 1-888-620-1748. Someone who speaks English/language can help you. This is a free service.

**Spanish:** Tenemos servicios de intérprete sin costo alguno para responder cualquier pregunta que pueda tener sobre nuestro plan de salud o medicamentos. Para hablar con un intérprete, por favor llame al 1-888-620-1748. Alguien que hable español le podrá ayudar. Este es un servicio gratuito.

**Chinese Mandarin:** 我們提供免費的翻譯服務，幫助您解答關於健康或藥物保險的任何疑問。如果您需要此翻譯服務，請致電 1-888-620-1748。我們的中文工作人員很樂意幫助您。這是一項免費服務。

**Chinese Cantonese:** 您對我們的健康或藥物保險可能有疑問，為此我們提供免費的翻譯服務。如需翻譯服務，請致電 1-888-620-1748。我們講中文的人員將樂意為您提供幫助。這是一項免費服務。

**Tagalog:** Mayroon kami ng libreng serbisyo sa pagsasalang-wika upang masagot ang anumang mga katanungan ninyo hinggil sa anumang planong pangkalusugan o panggamot. Upang makakuha ng tagasalang-wika, tawagan lamang kami sa 1-888-620-1748. Maaari kayong tulungan ng isang nakakapagsalita ng Tagalog. Ito ay libreng serbisyo.

**French:** Nous proposons des services gratuits d'interprétation pour répondre à toutes vos questions relatives à notre régime de santé ou d'assurance-médicaments. Pour accéder au service d'interprétation, il vous suffit de nous appeler au 1-888-620-1748. Un interpréteur parlant Français pourra vous aider. Ce service est gratuit.

**Vietnamese:** Chúng tôi có dịch vụ thông dịch miễn phí để trả lời các câu hỏi về chương sức khỏe và chương trình thuốc men. Nếu quý vị cần thông dịch viên xin gọi 1-888-620-1748 sẽ có nhân viên nói tiếng Việt giúp đỡ quý vị. Đây là dịch vụ miễn phí.

**German:** Unser kostenloser Dolmetscherservice beantwortet Ihren Fragen zu unserem Gesundheits- und Arznmittelplan. Unsere Dolmetscher erreichen Sie unter 1-888-620-1748. Man wird Ihnen dort auf Deutsch weiterhelfen. Dieser Service ist kostenlos.

## Multi-language Interpreter Services

**Korean:** 당사는 의료 보험 또는 약품 보험에 관한 질문에 대해 드리고자 무료 통역 서비스를 제공하고 있습니다. 통역 서비스를 이용하려면 전화1-888-620-1748 번으로 문의해 주십시오. 한국어를 하는 담당자가 도와 드릴 것입니다. 이 서비스는 무료로 운영됩니다.

**Russian:** Если у вас возникнут вопросы относительно страхового или медицинского плана, вы можете воспользоваться нашими бесплатными услугами переводчиков. Чтобы воспользоваться услугами переводчика, позвоните нам по телефону 1-888-620-1748. Вам окажет помощь сотрудник, который говорит по-русски. Данная услуга бесплатная.

**Arabic:** إذا كان لديك أي أسئلة تتعلق بتأمينك الطبي أو تأمينك الصحي، يمكنك الاتصال بنا للحصول على خدمة الترجمة مجاناً. يمكنك الاتصال بنا على الرقم 1-888-620-1748. يمكنك التحدث مع موظف يتحدث العربية. هذه الخدمة مجانية.

**Hindi:** हमारे स्वास्थ्य या दवा की योजना के बारे में आपके किसी भी प्रश्न के जवाब देने के लिए हमारे पास मुफ्त दुभाषिका सेवाएँ उपलब्ध हैं. एक दुभाषिका प्राप्त करने के लिए, कृपया हमें 1-888-620-1748 पर फोन करें. कोई व्यय नहीं है। हमारी मदद कर सकता है. यह एक मुफ्त सेवा है.

**Italian:** È disponibile un servizio di interpretariato gratuito per rispondere a eventuali domande sul nostro piano sanitario e farmaceutico. Per un interprete, contattare il numero 1-888-620-1748. Un nostro incaricato che parla Italianovi fornirà l'assistenza necessaria. È un servizio gratuito.

**Portugues:** Disponimos de serviços de interpretação gratuitos para responder a qualquer questão que tenha acerca do nosso plano de saúde ou de medicação. Para obter um intérprete, contacte-nos através do número 1-888-620-1748. Irá encontrar alguém que fale o idioma Português para o ajudar. Este serviço é gratuito.

**French Creole:** Nou genyen sèvis entèprèt gratis pou reponn tout kesyon ou ta genyen konsènan plan medikal oswa dwòg nou an. Pou jwenn yon entèprèt, jis rele nou nan 1-888-620-1748. Yon moun ki pale Kreyòl kapab ede w. Sa a se yon sèvis ki gratis.

**Polish:** Umożliwiamy bezpłatnie skorzystanie z usług tłumacza ustnego, który pomoże w uzyskaniu odpowiedzi na temat planu zdrowotnego lub dawki leków. Aby skorzystać z pomocy tłumacza znającego język polski, należy zadzwonić pod numer 1-888-620-1748. Ta usługa jest bezpłatna.

**Japanese:** 当社の健康 健康保険と薬品 処方薬プランに関するご質問にお答えするために、無料の通訳サービスがあります。通訳をご用命になるには、1-888-620-1748 にお電話ください。日本語を話す人が支援いたします。これは無料のサービスです。

The benefit information provided is a brief summary, not a complete description of benefits. For more information contact the plan.

Limitations, copayments, and restrictions may apply.

Benefits, formulary, pharmacy network, premium and/or co-payments/co-insurance may change on January 1 of each year. You must continue to pay your Medicare Part B premium.

Please call Blue MedicareRx for more information about our plan.

Visit us at [Groups.Rx.MedicarePlans.com](http://Groups.Rx.MedicarePlans.com) or, call us:

**Customer Care Hours:**

Sunday, Monday, Tuesday, Wednesday, Thursday, Friday, Saturday  
24 hours a day

Current members should call toll-free 1-888-620-1748. (TTY/TTDD 1-866-236-1069)

Prospective members should call toll-free 1-800-505-2583. (TTY/TTDD 711)

For more information about Medicare, please call Medicare at 1-800-MEDICARE (1-800-633-4227). TTY users should call 1-877-486-2048. You can call 24 hours a day, 7 days a week. Or, visit [www.medicare.gov](http://www.medicare.gov) on the web.

If you have special needs, this document may be available in other formats.

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