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Dear KelseyCare Advantage Preferred (HMO) Member,

Here are three documents with important information for you.

1. Please start by reading the **Annual Notice of Changes for 2010/2011**. It gives you a summary of changes to your benefits and costs for next year. These changes were effective as of October 1, 2010.
  - Please take a moment very soon to look through this summary and see how the changes might affect you.
  - If you decide to stay with KelseyCare Advantage Preferred (HMO) for 2010/2011, you do not have to tell us or fill out any paperwork. You will automatically remain enrolled as a member of KelseyCare Advantage Preferred (HMO).
  - If you decide to leave KelseyCare Advantage Preferred (HMO), you need to contact Metropolitan Transit Authority at (713) 739-4063 to enroll in another plan.
2. We're including a copy of next year's **Evidence of Coverage**. It's the legal, detailed description of your benefits and costs for 2010/2011 if you stay enrolled as a member of KelseyCare Advantage Preferred (HMO). It also explains your rights and rules you need to follow when using your coverage for medical care and prescription drugs. Please look through this document so you know what's in it, then keep it handy for reference.
3. We're also including a copy of the KelseyCare Advantage Preferred (HMO) plan's **List of Covered Drugs (Formulary)**, effective in January 1, 2011.

If you have questions, we're here to help. Please call Member Services at 1-866-534-0554 (TTY only, call 1-866-302-9336). Calls to these numbers are free. Hours are Monday through Sunday, 8:00 a.m. to 8:00 p.m. You can also visit our website, [www.kelseycareadvantage.com](http://www.kelseycareadvantage.com).

We value your membership and hope to continue to serve you next year.

Sincerely,  
KelseyCare Advantage

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## **KelseyCare Advantage Preferred (HMO) Annual Notice of Changes for 2010/2011**

This booklet tells you how your benefits and costs as a member of KelseyCare Advantage Preferred (HMO) will change next year from your current benefits. The changes were effective as of October 1, 2010.

To decide what's best for you, compare this information we're sending with the benefits and costs of other plans offered by your employer.

### **KelseyCare Advantage Preferred (HMO) Member Services:**

For help or information, please call Member Services or go to our plan Web site at [www.kelseycareadvantage.com](http://www.kelseycareadvantage.com).

**Local phone number: 713-442-9550**

**1-866-534-0554** (TTY users call: 1-866-302-9336)

**Calls to these numbers are free.**

Hours of Operation:

Monday through Sunday 8:00 a.m. to 8:00 p.m.

**This plan is offered by KS plan Administrators, LLC, referred throughout the Annual Notice of Changes as “we,” “us,” or “our.” KelseyCare Advantage Preferred (HMO) is referred to as “plan” or “our plan.”**

KelseyCare Advantage is offered by KS plan Administrators, a Medicare Advantage HMO with a Medicare contract.

This information may be available in a different format, including Spanish, large print, and audio tapes. Please call Member Services at the number listed above if you need plan information in another format or language.

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**If you remain enrolled in KelseyCare Advantage Preferred (HMO) for 2010/2011, there will be some changes to your benefits and what you pay.**

You are currently enrolled as a member of KelseyCare Advantage Preferred (HMO). We are pleased to be providing your Medicare health care coverage, including your prescription drug coverage.

We're sending you this Annual Notice of Changes to tell you how your benefits and costs as a member of KelseyCare Advantage Preferred (HMO) will change next year from your current benefits.

**What should you do?**

We want you to know what's ahead for next year, so **please read this document very soon to see how the changes in benefits and costs will affect you if you stay enrolled in KelseyCare Advantage Preferred for 2010/2011.**

We hope to keep you as a member of KelseyCare Advantage Preferred (HMO). But if you want to make a change for 2011, see "*When can you change*" in Section 6 for time periods when you can make a change.

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## Section 1. Important Things to Know

**This Annual Notice of Changes is only a summary  
(see your Evidence of Coverage for the details)**

This Annual Notice of Changes gives you a summary of the changes in your benefits and what you will pay for these services in 2010/2011.

- To get the details, you can look in the 2010/2011 Evidence of Coverage for KelseyCare Advantage Preferred (HMO). The Evidence of Coverage is the legal, detailed description of your benefits and costs for 2011. It explains your rights and the rules you need to follow to get your covered services and prescription drugs. We have included a copy of the Evidence of Coverage in the same envelope with this Annual Notice of Changes. If you do not have this copy, call Member Services.
- If you have questions or need more information, you can always call Member Services at 1-866-534-0554 (TTY call 1-866-302-9336). Hours are Monday through Sunday, 8:00 a.m. to 8:00 p.m. and calls to these numbers are free.

### **There are programs to help people with limited resources pay for their prescription drugs**

You might qualify to get help in paying for your drugs. There are two basic kinds of help:

- **“Extra Help” from Medicare.** This program is also called the “low-income subsidy” or LIS. People whose yearly income and resources are below certain limits can qualify for this help. See Section III of the new Medicare & You 2011 Handbook or call 1-800-MEDICARE (1-800-633-4227). TTY users should call 1-877-486-2048. You can call these numbers for free, 24 hours a day, 7 days a week.
- **Help from your state’s pharmaceutical assistance program.** Many states have State Pharmaceutical Assistance Programs (SPAPs) that help some people pay for prescription drugs based on financial need, age, or medical condition. Each state has different rules. Check with your State Health Insurance Assistance Program (the name and phone numbers for this organization are in Chapter 2, Section 3 of your Evidence of Coverage).

### **What if you are currently getting help to pay for your drugs?**

If you already get help paying for your drugs, **some of the information in this Annual Notice of Changes is not correct for you.** We have included a separate insert, called the “Evidence of Coverage Rider for People Who Get Extra Help Paying for Prescription Drugs” (LIS Rider), that tells you about your drug coverage. If you don’t have this insert, please call Member Services

and ask for the “Evidence of Coverage Rider for People Who Get Extra Help Paying for Prescription Drugs” (LIS Rider). Phone numbers for Member Services are on the back cover.

## Section 2. Changes to Your Monthly Premium

	2009/2010 (this year)	2010/2011 (next year)
<b>Monthly premium</b>	\$17	\$27.10

*Exception:* If you are required to pay a late enrollment penalty (because you did not join a Medicare drug plan when you first became eligible), your monthly premium for 2011 will be \$27.10 plus the amount of your late enrollment penalty. For more information about this penalty, see Chapter 6 of your Evidence of Coverage.

## Section 3. Medical Services: Changes to Your Benefits and What You Pay

### Changes to your benefits

Our benefits will be exactly the same in 2011 as it is in 2010. However, there are some changes in what you will pay for these covered services. See the next section for more information about the change in what you pay for covered services.

### Changes to what you pay

The chart below summarizes changes to what you will pay as your share of the cost of covered medical services. For details, see Chapter 4, Medical Benefits Chart (What is Covered and What You Pay), in your Evidence of Coverage.

**Annual Notice of Changes in KelseyCare Advantage Preferred (HMO) for 2010/2011**

	<b>2010 (this year)</b>	<b>2011 (next year)</b>
<p><b>Out-of-pocket maximum for medical services</b></p> <p><i>This maximum applies to what you pay as your share of the cost for your Medicare Part A (Hospital Insurance) and Medicare Part B (Medical Insurance) services.</i></p>	<p>\$3,350</p> <p><i>Exclusions to out-of-pocket limits are:</i></p> <p><i>LTAC</i></p> <p><i>Skilled Nursing Facility</i></p> <p><i>Part B Drugs</i></p> <p><i>Dialysis (ESRD)</i></p> <p><i>Outpatient Mental Health</i></p> <p><i>Vision Care</i></p> <p><i>Hearing Services</i></p> <p><i>Separate Part B drug out-of-pocket maximum of \$3,500.</i></p>	<p>\$3,400</p> <p><i>Exclusions to out-of-pocket limits are:</i></p> <p><i>Dental Services</i></p> <p><i>Vision Care</i></p> <p><i>Hearing Services</i></p> <p><i>Part B drug out-of-pocket now included in the amount listed above.</i></p>
<i>Inpatient Hospital Care</i>	<i>\$250 for each Medicare-covered hospital stay</i>	<i>\$500 for each Medicare-covered hospital stay</i>
<i>Inpatient Mental Health Care</i>	<i>\$250 for each Medicare-covered hospital stay</i>	<i>\$500 for each Medicare-covered hospital stay</i>
<i>Outpatient Services / Ambulatory Surgery Center</i>	<i>\$100 copay for each outpatient hospital service or ambulatory surgery center visit</i>	<i>\$175 copay for each outpatient hospital service or ambulatory surgery center visit</i>
		<i>Outpatient copay applies for outpatient surgery, sleep studies and other procedures such as chemotherapy.</i>
<i>Part B Drugs</i>	<i>Separate out of pocket maximum of \$3,500</i>	<i>Coinsurance included in \$3,400 out-of-pocket maximum for medical services</i>
<i>Diagnostic Tests, X-rays and Lab Services</i>	<p><i>\$50 for each CAT scan</i></p> <p><i>\$50 for each MRI or MRA</i></p> <p><i>\$50 for each PET scan</i></p>	<p><i>\$100 for each CAT scan</i></p> <p><i>\$100 for each MRI or MRA</i></p> <p><i>\$100 for each PET scan</i></p>

## Annual Notice of Changes in KelseyCare Advantage Preferred (HMO) for 2010/2011

<i>Medicare-Covered Preventive Services</i>	<i>\$0</i>	<i>Our plan covers all Medicare-covered preventive services at no cost to you</i>
<i>Hearing Services</i>	<i>\$1,500 coverage limit for hearing aids every two years</i>	<i>\$1,000 plan coverage limit for hearing aids every two years</i>
<i>Vision Services</i>	<i>\$15 copayment for diagnosis and treatment for diseases and conditions of the eye</i>	<i>\$0 copayment for diagnosis and treatment for diseases and conditions of the eye</i>
	<i>\$15 copayment for routine eye exam</i>	<i>\$0 copayment for routine eye exam</i>
<i>Colorectal Screening</i>	<i>\$0 copayment for screening colonoscopy</i>	<i>\$0 copayment for screening or other colonoscopy whether or not a biopsy or other procedure is performed</i>
	<i>\$175 copayment for colonoscopy when biopsy or other procedure was performed</i>	

## Section 4. Part D Prescription Drugs: Changes to Your Benefits and What You Pay

### Changes to your benefits

KelseyCare Advantage Preferred (HMO) has a “*List of Covered Drugs (Formulary)*” – or “Drug List” for short. It tells which Part D prescription drugs are covered by the plan. (Chapter 5, Section 1.1 of your Evidence of Coverage explains about Part D drugs.)

We may make changes to the plan’s Drug List from time to time throughout the year. In addition, there are a number of changes to the Drug List that will take effect on January 1, 2011. Changes to the plan’s Drug List have been approved by Medicare.

- **We have added some new drugs to the list and removed others.** We have added some new drugs that became available. We have replaced some brand name drugs with new generic drugs. We have replaced some expensive drugs with less costly drugs that have been shown to work just as well or better. We have removed a few drugs due to safety concerns or because medical research has shown they are not effective.
- The number of tiers on the formulary has increased from four (4) to five (5). A Tier has been added to separate Non-Preferred Generics from Preferred Brands.
- Copays for a three (3) month supply of a covered Part D prescription drugs filled at preferred pharmacies have decreased, (see Chapter 6, Section 4.3 for other copayment/coinsurance changes).

## Annual Notice of Changes in KelseyCare Advantage Preferred (HMO) for 2010/2011

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- Supplemental Drug Coverage for Barbiturates and Benzodiazepines, (drugs generally not covered by Medicare) has been discontinued.
- Mail Order pharmacy services will no longer be offered. The Mail Order pharmacy services have been replaced with an easier to use free network pharmacy home delivery service. The Current Mail Order prescriptions will automatically be transitioned into the free home delivery service in the same pharmacy system. Many network pharmacies offer free home delivery services check with your local pharmacy for details.
- **We have added some new restrictions to certain drugs, and reduced the restrictions on others.** Restrictions can include a requirement to get plan approval in advance or to try a different drug first to see how well it works. Restrictions can also include limits on the quantity of the drug that the plan will cover for you.

### **Please check to see if any of these changes to drug coverage affect the drugs you use.**

- You can look for your drugs on the Drug List we sent with this *Annual Notice of Changes*.
- The Drug List we sent includes many of the drugs that we cover, but it does not include all of our covered drugs. If you can't find some of your drugs on this Drug List, you may find them on a complete Drug List, which includes all the drugs we cover. You can get the complete Drug List by calling Member Services.

## **Changes to what you pay**

The chart below summarizes changes to what you will pay as your share of the cost of covered prescription drugs. These changes affect Part D prescription drugs only.

- Medicare allows us to **change what you pay for a drug** only once a year. The changes shown below will stay the same for the entire plan year. Every drug on the plan's Drug List is in one of five (5) cost-sharing tiers.
- When you reach a total drug spend of \$2,840 (what you and the plan pays), you enter the coverage gap. The plan will only cover Preferred Generics in Tier 1.
- Besides the changes to copayment you see below, there is another change that could affect what you pay for your drugs next year. **We have moved some of the drugs on the Drug List to a different cost-sharing tier.** Some drugs will be in a lower cost-sharing tier. Others will be in a higher cost-sharing tier. To see if any of your drugs have been moved to a different cost-sharing tier, look them up on the Drug List.

**Annual Notice of Changes in KelseyCare Advantage Preferred (HMO) for 2010/2011**

	<b>2010 (this year)</b>	<b>2011 (next year)</b>
<p><b>Drugs in Cost-Sharing Tier 1</b></p> <p>For a one-month (30 day) supply of a drug in cost-sharing tier 1 that is filled at a network pharmacy</p>	<p>For copayments :</p> <p><b>(Preferred Generic)</b></p> <p>You pay per prescription</p> <p>\$0 at a Preferred Pharmacy</p> <p>\$5 at a Non-Preferred Pharmacy</p>	<p>For copayments :</p> <p><b>(Preferred Generic) – Tier 1</b></p> <p>You pay per prescription</p> <p>\$3 at a Preferred Pharmacy</p> <p>\$8 at a Non-Preferred Pharmacy</p>
<p><b>Drugs in Cost-Sharing Tier 2</b></p> <p>For a one-month (30 day) supply of a drug in cost-sharing tier 2 that is filled at a network pharmacy</p>	<p>For copayments :</p> <p><b>(Non-Preferred Generic and Preferred Brand)</b></p> <p>You pay per prescription</p> <p>\$20 at a Preferred Pharmacy</p> <p>\$30 at a Non-Preferred Pharmacy</p> <p>Non-Preferred generics covered during coverage gap</p>	<p>For copayments :</p> <p><b>(Non-Preferred Generic) – Tier 2</b></p> <p>You pay per prescription</p> <p>\$30 at a Preferred Pharmacy</p> <p>\$40 at a Non-Preferred Pharmacy</p> <p>Non-Preferred Generics not covered during the gap</p> <p><b>*** Preferred Brands move to the NEW Tier 3 in 2011 and will have the copays listed below</b></p> <p>\$30 at a Preferred Pharmacy</p> <p>\$40 at a Non-Preferred Pharmacy</p>
<p><b>Drugs in Cost-Sharing Tier 3</b></p> <p>For a one-month (30 day) supply of a drug in cost-sharing tier 3 that is filled at a network pharmacy</p>	<p>For copayments :</p> <p><b>(Non-Preferred Brand)</b></p> <p>You pay per prescription</p> <p>\$50 at a Preferred Pharmacy</p> <p>\$60 at a Non-Preferred Pharmacy</p>	<p>For copayments :</p> <p><b>(Non-Preferred Brand)</b></p> <p><b>*** Will be Tier 4 in 2011.</b></p> <p>You pay per prescription</p> <p>\$60 at a Preferred Pharmacy</p> <p>\$70 at a Non-Preferred Pharmacy</p>

## Annual Notice of Changes in KelseyCare Advantage Preferred (HMO) for 2010/2011

<b>Drugs in Cost-Sharing Tier 4</b> For a one-month (30 day) supply of a drug in cost-sharing tier 4 that is filled at a network pharmacy	For coinsurance : <b>(Specialty)</b> You pay per prescription 30% coinsurance at Preferred and Non-Preferred Pharmacies	For coinsurance : <b>(Specialty)</b> <b>*** Will be Tier 5 in 2011.</b> You pay per prescription 33% coinsurance at Preferred and Non-Preferred Pharmacies
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### What if changes for 2011 affect drugs you are taking now?

What if a drug you are taking now is not on the Drug List for 2011? What if it has been moved to a higher cost-sharing tier? What if a new restriction has been added to the coverage for this drug? If you are in any of these situations, here's what you can do:

- In some situations, the plan will cover a **one-time, temporary supply** of your drug when your current supply runs out. This temporary supply will be for a maximum of 30 days, or less if your prescription is written for fewer days. Chapter 5, Section 6.2 explains when you can get a temporary supply and how to ask for one.
- **Perhaps you can find a different drug** covered by the plan that might work just as well for you. You can call Member Services to ask for a list of covered drugs that treat the same medical condition. This list can help your doctor to find a covered drug that might work for you.

## Section 5. What about changes to the plan's network of providers?

### Will your doctors and other providers still be in the plan's network next year?

There are a few changes to the network of providers for 2011. In addition, it's possible for the network of plan providers to change at any time during the year.

- **Please check with your doctors and other providers you currently use** to make sure they will continue to be part of the provider network for KelseyCare Advantage Preferred (HMO) in 2011.
- For the most up-to-date information on the network of providers, check our Web site [www.kelseycareadvantage.com](http://www.kelseycareadvantage.com) or call Member Services (see phone numbers on the back cover).

## **Section 6. Do you want to stay in the plan or make a change?**

### **Do you want to stay with KelseyCare Advantage Preferred (HMO)?**

If you want to keep your membership in KelseyCare Advantage Preferred (HMO) for 2011, it's easy. You don't need to tell us or fill out any paperwork. **You will automatically remain enrolled as a member.**

### **Do you want to make a change?**

Things to check on before you make a change

- As a member of an employer or retiree group plan, please check with the benefits administrator of your employer or retiree group before you change your plan. This is important because you may lose benefits you currently receive under your employer or retiree group coverage if you switch plans.
- Are you getting help with paying for your drugs from a State Pharmaceutical Assistance Program (SPAP)? If you are, please check with this program before switching to another plan. The phone number for your State Pharmaceutical Assistance Program is listed in Chapter 2, Section 7 of the Evidence of Coverage.

## **Section 7. Do you need some help? Would you like more information?**

### **We have information and answers for you**

To learn more, read the information we sent in the same package with this Annual Notice of Changes. This includes a copy of the Evidence of Coverage and of the List of Covered Drugs (Formulary).

If you have any questions, we are here to help. Please call us at KelseyCare Advantage Preferred (HMO) Member Services. We are available for phone calls Monday through Sunday, 8:00 a.m. to 8:00 p.m. Calls to these numbers are free: 1-866-534-0554 (TTY only, call 1-866-302-9336).

### **You can get help and information from your State Health Insurance Assistance Program**

The State Health Insurance Assistance Program (SHIP) is a government program with trained counselors in every state. In Texas, the State Health Insurance Assistance Program is called The Texas Department of Aging and Disability Services (DADS).

## Annual Notice of Changes in KelseyCare Advantage Preferred (HMO) for 2010/2011

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The Texas Department of Aging and Disability Services (DADS) is independent (not connected with any insurance company or health plan). The Texas Department of Aging and Disability Services (DADS) counselors can help you with your Medicare questions or problems. They can help you understand your Medicare plan choices and answer questions about switching plans. You can call The Texas Department of Aging and Disability Services (DADS) at 1-800-252-9240, including TTY number Texas Relay 1-800-735-2989.

### **You can get help and information from Medicare**

Here are three ways to get information directly from Medicare:

- **Call 1-800-MEDICARE (1-800-633-4227)** 24 hours a day, 7 days a week. TTY users should call 1-877-486-2048.
- **Visit the Medicare Web site** (<http://www.medicare.gov>).
- **Read Medicare & You 2011 Handbook.** Every year in October, this booklet is mailed to people with Medicare. It has a summary of Medicare benefits, rights and protections, and answers to the most frequently asked questions about Medicare. If you don't have a copy of this booklet, you can get it at the Medicare Web site (<http://www.medicare.gov>) or by calling 1-800-MEDICARE (1-800-633-4227).

