

Prescription Drug Plan Designs

Calendar Year 2010 Compared to Calendar Year 2011

Based on 31-day Supply

UPMC for Life HMO

	31 - Day Supply	
	Current	2011
Generic	\$5	\$10
Brand	\$30	\$35
Non-Preferred Brand	\$60	\$70

Specialty 25% coinsurance

UPMC for Life PPO - Standard

	31 - Day Supply	
	Current	2011
Generic	\$10	\$10
Brand	\$30	\$35
Non-Preferred Brand	\$60	\$70

Specialty 25% coinsurance

Highmark Freedom Blue PPO - Standard

	31 - Day Supply	
	Current	2011
Generic	\$5	\$10
Brand	\$30	\$35
Non-Preferred Brand	\$60	\$70

Specialty \$60 Co-payment

UPMC for Life PPO - Basic (new option)

	31 - Day Supply	
	-	2011
Generic	NA	\$10
Brand	NA	\$30
Non-Preferred Brand	NA	\$60

Specialty 25% coinsurance

Freedom Blue PPO - Basic (new option)

	31 - Day Supply	
	-	2011
Generic	NA	\$15
Brand	NA	\$35
Non-Preferred Brand	NA	\$70

Specialty 33% Co-payment

UPMC National Complementary

	31 - Day Supply	
	Current	2011
Generic	\$10	\$10
Brand	\$20	\$30
Non-Preferred Brand	\$40	\$60

Specialty 25% coinsurance

Highmark Signature 65

	31 - Day Supply	
	Current	2011
Generic	\$10	\$15
Brand	\$30	\$35
Non-Preferred Brand	\$60	\$70

Specialty \$60 Co-payment

NOTES

Each of the University-sponsored medical plans includes prescription drug coverage. The coverage fulfills the requirements designated as "creditable coverage" and exceed the standardized plans offered directly by Medicare and independently by the respective insurance carriers. Therefore, a retiree should not separately purchase prescription drug coverage.

The recently enacted Patient Protection and Affordable Care Act created the Medicare Coverage Gap Discount Program ("Discount Program"). Effective January 1, 2011, the Discount Program will make point-of-sale manufacturer discounts available to applicable Medicare beneficiaries (University retirees) receiving applicable covered Part D brand name drug while in the coverage gap.

The amount the beneficiary (retiree) pays at point-of-sale will generally be 50% of their liability (i.e. cost sharing) for brand name medications during the coverage gap based upon the selected plan. As a means of using the Discount Program to keep premiums affordable and maintain the overall cost share, co-pays are increased once the yearly out of pocket drug costs reach \$2,840. However, the actual amount the member pays will be generally offset by an equivalent amount as a result of the manufacturer's discount.

If copays are offered in the coverage gap and if a brand drug costs less than the copay, the discount will be 50% of the drug cost instead of 50% of the copay.