Your Monthly Prescription Drug Summary

For January, 2017

This summary is your “Explanation of Benefits” (EOB) for your Medicare prescription drug coverage (Part D). Please review this summary and keep it for your records. (This is not a bill.)

Here are the sections in this summary:

SECTION 1. Your prescriptions during the past month
SECTION 2. Which “drug payment stage” are you in?
SECTION 3. Your “out-of-pocket costs” and “total drug costs” (amounts and definitions)
SECTION 4. Updates to the plan's Drug List that will affect drugs you take
SECTION 5. If you see mistakes on this summary or have questions, what should you do?
SECTION 6. Important things to know about your drug coverage and your rights

Need large print or another format?
To get this material in other formats, or ask for language translation services, call Essence Healthcare Customer Service (the number is on this page).

For languages other than English:
1-866-597-9560

Essence Healthcare Customer Service
If you have questions or need help, call us 8:00AM-8:00PM central time. Calls to these numbers are free.
1-866-597-9560
TTY users call: 711
On the Web at: www.everythingessence.com

Essence is a HMO plan with a Medicare contract. Enrollment in Essence depends on contract renewal.
SECTION 1. Your prescriptions during the past month

- Chart 1 shows your prescriptions for covered Part D drugs for the past month. (Prescriptions for drugs covered by our plan’s Supplemental Drug Coverage are shown separately in Chart 2)
- Please look over this information about your prescriptions to be sure it is correct. If you have any questions or think there is a mistake, Section 5 tells what you should do.

CHART 1.
Your prescriptions for covered Part D drugs

<table>
<thead>
<tr>
<th>Drug Name</th>
<th>Date</th>
<th>Pharmacy</th>
<th>Rx#</th>
<th>Days Supply</th>
<th>Plan paid</th>
<th>You paid</th>
<th>Other payments</th>
</tr>
</thead>
<tbody>
<tr>
<td>OMEPRAZOLE DR 20 MG CAPSULE</td>
<td>01/01/2017</td>
<td>WALGREENS #1234</td>
<td>000001111111</td>
<td>00090</td>
<td>$0.00</td>
<td>$14.38</td>
<td>$0.00</td>
</tr>
<tr>
<td>CIPROFLOXACIN HCL 500 MG</td>
<td>01/02/2017</td>
<td>WALGREENS #1234</td>
<td>000002222222</td>
<td>00090</td>
<td>$12.92</td>
<td>$2.00</td>
<td>$0.00</td>
</tr>
<tr>
<td>FUROSEMIDE 40 MG TABLET</td>
<td>01/03/2017</td>
<td>WALGREENS #1234</td>
<td>000003333333</td>
<td>00090</td>
<td>$10.04</td>
<td>$6.00</td>
<td>$0.00</td>
</tr>
</tbody>
</table>

**TOTALS for the month of January, 2017**
Your “out-of-pocket costs” amount is **$22.38**. (This is the amount you paid this month ($22.38) plus the amount of “other payments” made this month that count toward your “out-of-pocket costs” ($0.00). See definitions in Section 3.)
CHART 1.
Your prescriptions for covered Part D drugs <MMMM, 2017>

<table>
<thead>
<tr>
<th>Year-to-date totals</th>
<th>Plan paid</th>
<th>You paid</th>
<th>Other payments</th>
</tr>
</thead>
<tbody>
<tr>
<td>MM/DD/YY through MM/DD/YY</td>
<td>$22.96 (year-to-date total)</td>
<td>$22.38 (year-to-date total)</td>
<td>$0.00 (year-to-date total)</td>
</tr>
</tbody>
</table>

Your “total drug costs” amount is $45.34. (This is the total for this month of all payments made for your drugs by the plan ($22.96) and you ($22.38) plus “other payments” ($0.00).)

(Of this amount, $XX.XX counts toward your “out-of-pocket costs. See definitions in Section 3.)

NOTE: Your year-to-date totals shown here include payments of $0.00 in out-of-pocket costs and $0.00 in total drug costs made for your Part D covered drugs when you were in a different plan earlier this year.
SECTON 2. Which “drug payment stage” are you in?

As shown below, your Part D prescription drug coverage has “drug payment stages.” How much you pay for a covered Part D prescription depends on which payment stage you are in when you fill it. During the plan calendar year, whether you move from one payment stage to the next depends on how much is spent for your drugs.

<table>
<thead>
<tr>
<th>STAGE 1</th>
<th>You are in this stage:</th>
<th>STAGE 3</th>
<th>STAGE 4</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yearly Deductible</td>
<td>Initial Coverage</td>
<td>Coverage Gap</td>
<td>Catastrophic Coverage</td>
</tr>
<tr>
<td>(Because there is no deductible for the plan, this payment stage does not apply to you.)</td>
<td>• You begin in this payment stage when you fill your first prescription of the year. During this payment stage, the plan pays its share of the cost of your drugs and you (or others on your behalf) pay your share of the cost. • You generally stay in this stage until the amount of your year-to-date “total drug costs” (see Section 3) reaches $3,700.00. When this happens, you move to payment stage 3, Coverage Gap. As of 01/31/2017 your year-to-date “total drug costs” was $45.34. (See definitions in Section 3.)</td>
<td>• During this payment stage, you (or others on your behalf) receive a 50% manufacturer’s discount on covered brand name drugs and the plan will cover at least another 10%, so you will pay less than 40% of the negotiated price on brand-name drugs. In addition you pay 51% of the costs of generic drugs. • You generally stay in this stage until the amount of your year-to-date “out-of-pocket costs” (see Section 3) reaches $4950.00. As of 01/31/2017 your year-to-date “out-of-pocket costs was $22.38 (See Section 3) • (Because you are receiving “Extra Help” from Medicare, (when applicable) this payment stage does not apply to you.)</td>
<td>• During this payment stage, the plan pays most of the cost for your covered drugs. • You generally stay in this stage for the rest of the plan year calendar year (through December 31, 2017).</td>
</tr>
</tbody>
</table>
What happens next?
Once you (or others on your behalf) have paid an additional $XX.XX for your drugs, you move to the next payment stage (stage 2, Initial Coverage).

What happens next?
Once you have an additional $3,654.66 in “total drug costs,” you move to the next payment stage (stage 3, Coverage Gap).

What happens next?
Once you (or others on your behalf) have paid an additional $XX.XX in “out-of-pocket costs,” you move to the next payment stage (stage 4, Catastrophic Coverage).

What happens next?
You generally stay in this payment stage, Catastrophic Coverage, for the rest of the plan year. calendar year (through December 31, 2017).
SECTION 3. Your “out-of-pocket costs” and “total drug costs” (amounts and definitions)

We’re including this section to help you keep track of your “out-of-pocket costs” and “total drug costs” because these costs determine which drug payment stage you are in. As explained in Section 2, the payment stage you are in determines how much you pay for your prescriptions.

**Your “out-of-pocket costs”**

$22.38 month of MMMM, 2017  
$22.38 year-to-date (since January)  
(This total includes $0.00 in “out-of-pocket costs” from when you were in a different plan earlier this year.)

**DEFINITION:**

“Out of pocket costs” **includes:**
- What you pay when you fill or refill a prescription for a covered Part D drug. (This includes payments for your drugs, if any, that are made by family or friends.)
- Payments made for your drugs by any of the following programs or organizations: “Extra Help” from Medicare; Medicare’s Coverage Gap Discount Program; Indian Health Service; AIDS drug assistance programs; most charities; and most State Pharmaceutical Assistance Programs (SPAPs).

**It does not include:**
- Payments made for: a) plan premiums, b) drugs not covered by our plan, c) non-Part D drugs (such as drugs you receive during a hospital stay), d) [drugs covered by our plan’s Supplemental Drug Coverage, e) ] drugs obtained at a non-network pharmacy that does not meet our out-of-network pharmacy access policy.
- Payments made for your drugs by any of the following programs or organizations: employer or union health plans; some government-funded programs, including TRICARE

**Your “total drug costs”**

$45.34 month of January, 2017  
$45.34 year-to-date (since January)  
(This total includes $0.00 in “total drug costs” from when you were in a different plan earlier this year.)

**DEFINITION:**

“Total drug costs” is the total of all payments made for your covered Part D drugs. It **includes:**
- What the plan pays.
- What you pay.
- What others (programs or organizations) pay for your drugs.

**NOTE:** Our plan offers Supplemental Drug Coverage for some drugs not generally covered by Medicare. If you have filled any prescriptions for these drugs this month, they are listed in a separate chart (Chart 2) in Section 1. The amounts paid for these drugs do **not** count toward your “out-of-pocket costs” or “total drug costs”.
Learn more. Medicare has made the rules about which types of payments count and do not count toward “out-of-pocket costs” and “total drug costs.” The definitions on this page give you only the main rules. For details, including more about “covered Part D drugs,” see the Evidence of Coverage, our benefits booklet (for more about the Evidence of Coverage, see Section 6).
SECTION 4. Updates to the plan’s Drug List that will affect drugs you take

At this time, there are no upcoming changes to our Drug List that will affect the coverage or cost of drugs you take. (By “drugs you take,” we mean any plan-covered drugs for which you filled prescriptions in 2017 as a member of our plan.)

If you are currently taking this drug, this change will not affect your coverage for this drug for the rest of the plan year.

About the Drug List and our updates

Essence Healthcare has a “List of Covered Drugs (Formulary)” – or “Drug List” for short. If you need a copy, the Drug List on our website (www.everythingessence.com) is always the most current. Or call Essence Healthcare Customer Service (phone numbers are on the cover of this summary).

The Drug List tells which Part D prescription drugs are covered by the plan. It also tells which of the X “cost-sharing tiers” each drug is in and whether there are any restrictions on coverage for a drug.

During the year, with Medicare approval, we may make changes to our Drug List.

- We may add new drugs, remove drugs, and add or remove restrictions on coverage for drugs. We are also allowed to change drugs from one cost-sharing tier to another.

- Unless noted otherwise, you will have at least 60 days notice before any changes take effect unless a serious safety issue is involved (for example, a drug is taken off the market).

Updates that affect drugs you take

The list that follows tells only about updates to the Drug List that will change the coverage or cost of drugs you take.

(For purposes of this update list, “drugs you take” means any plan-covered drugs for which you filled prescriptions in 2017 as a member of our plan.)

<table>
<thead>
<tr>
<th>Step Therapy Drug Name</th>
</tr>
</thead>
</table>

**Date and type of change:** Beginning MM/DD/YY, “step therapy” will be required for this drug. This means you will be required to try one or more other drugs first before we will cover Step Therapy (Drug Name). This requirement encourages you to try another drug that is less costly, yet just as safe and effective as Step Therapy (Drug Name). If the other drugs do not work for you, the plan will then cover Step Therapy (Drug Name).

If you are currently taking this drug, this change will not affect your coverage for this drug for the rest of the plan year.

- **Note:** See the information later in this section that tells “What you and your doctor can do.” (You and your doctor may want to consider trying (Alternate Drug Name), which is on our Drug List and is used in similar ways as Step Therapy (Drug Name).

<table>
<thead>
<tr>
<th>Quantity Limits Drug Name</th>
</tr>
</thead>
</table>

- **Date and type of change:** Beginning MM/DD/YY, there will be a new limit on the amount of the drug you can have: no more than XXX for a XXX day supply will be covered.

If you are currently taking this drug, this change will not affect your coverage for this drug for the rest of the plan year.

- **Note:** See the information below that tells “What you and your doctor can do.

<table>
<thead>
<tr>
<th>Prior Authorization Drug Name</th>
</tr>
</thead>
</table>

- **Date and type of change:** Beginning MM/DD/YY, “prior authorization” will be required for this drug. This means you or your doctor need to get approval from the plan before we will agree to cover the drug for you.
If you are currently taking this drug, this change will not affect your coverage for this drug for the rest of the plan year.

- **Note:** See the information later in this section that tells “What you and your doctor can do.” Your choices include asking for prior authorization in order to continue having this drug covered or changing to a different drug.

### What you and your doctor can do

We are telling you about these changes now, so that you and your doctor will have time (at least 60 days) to decide what to do.

Depending on the type of change, there may be different options to consider. For example:

- **Perhaps you can find a different drug** covered by the plan that might work just as well for you.
  
  - You can call us at [Essence Healthcare Customer Service](#) 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 and have fewer restrictions or a lower cost.

- **You and your doctor can ask the plan to make an exception for you.** This means asking us to agree that the upcoming change in coverage or cost-sharing tier of a drug does not apply to you.
  
  - Your doctor will need to tell us why making an exception is medically necessary for you.
  - To learn what you must do to ask for an exception, see the *Evidence of Coverage* that we sent to you. Look for Chapter 9, *What to do if you have a problem or complaint*. Look for Chapter 7, *What to do if you have a problem or complaint*.

(Section 6 of this monthly summary tells how to get a copy of the *Evidence of Coverage* if you need it.)
SECTION 5. If you see mistakes on this summary or have questions, what should you do?

If you have questions, call us

If something is confusing or doesn’t look right on this monthly prescription drug summary, please call us at Essence Healthcare Customer Service (phone numbers are on the cover of this summary). You can also find answers to many questions at our website: www.everythingessence.com

What about possible fraud?

Most health care professionals and organizations that provide Medicare services are honest. Unfortunately, there may be some who are dishonest.

If this monthly summary shows drugs you’re not taking, or anything else that looks suspicious to you, please contact us.

- Call us at Essence Healthcare Customer Service (phone numbers are on the cover of this summary).
- Or, call Medicare at 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.

SECTION 6. Important things to know about your drug coverage and your rights

Your “Evidence of Coverage” has and LIS Rider have the details about your drug coverage and costs

The Evidence of Coverage is our plan’s benefits booklet. It explains your drug coverage and the rules you need to follow when you are using your drug coverage. Your LIS Rider (“Evidence of Coverage Rider for People Who Get Extra Help Paying for their Prescriptions”) is a short separate document that tells what you pay for your prescriptions.

We have sent you a copy of the Evidence of Coverage and LIS Rider. If you need another copy [of either of these], please call us (phone numbers are on the cover of this summary).

Remember, to get your drug coverage under our plan you must use pharmacies in our network, except in certain circumstances. Also, quantity limitations and restrictions may apply.

What if you have problems related to coverage or payments for your drugs?

Your Evidence of Coverage has step-by-step instructions that explain what to do if you have problems related to your drug coverage and costs. Here are the chapters to look for:

- [Chapter 7][Chapter 5.] Asking the plan to pay its share of a bill you have received for covered services or drugs.
- [Chapter 9][Chapter 7.] What to do if you have a problem or complaint (coverage decisions, appeals, complaints).

Here are things to keep in mind:

- When we decide whether a drug is covered and how much you pay, it’s called a “coverage decision.” If you disagree with our coverage decision, you can appeal our decision (see [Chapter 9][Chapter 7] of the Evidence of Coverage).
- Medicare has set the rules for how coverage decisions and appeals are handled. These are legal procedures and the deadlines are important. The process can take place if your doctor tells us that your health requires a quick decision.

Please ask for help if you need it. Here’s how:
• You can call us at Essence Healthcare Customer Service (phone numbers are on the cover of this monthly summary).

• You can call Medicare at 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.

• You can call your State Health Insurance Assistance Program (SHIP). The name and phone numbers for this organization are in Chapter 2, Section 3 of your Evidence of Coverage.

Did you know there are programs to help people pay for their drugs?

• “Extra Help” from Medicare. You may be able to get Extra Help to pay for your prescription drug premiums and costs. 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. To see if you qualify for getting Extra Help, see Section 7 of your Medicare & You YYYY 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. You can also call the Social Security Office at 1-800-772-1213 between 7 a.m. and 7 p.m., Monday through Friday. TTY users should call 1-800-325-0778. You can also call your State Medicaid Office.

• 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 (SHIP). The name and phone numbers for this organization are in Chapter 2, Section 3 of your Evidence of Coverage.