



## The Local Choice Health Benefits Program

October 25, 2005

Dear Medicare-Eligible Retiree:

You are currently enrolled through your former local employer in a The Local Choice health plan that supplements your Medicare Parts A and B medical coverage, and also provides outpatient prescription drug coverage. Beginning January 1, 2006, the new Medicare Part D prescription drug benefit takes effect. You may have received information already from some Medicare-approved prescription drug plans that will be offering the new Medicare Part D benefit.

After reviewing our options and considering the best way to serve our plan members, The Local Choice (TLC) has decided to no longer offer prescription drug coverage as part of our Medicare supplemental plans beginning January 1, 2006. This will affect Medicare-eligible retirees enrolled in the Advantage 65, Advantage 65 with Dental/Vision and Medicare Complementary (Option I). Because Medicare will now provide a basic prescription drug benefit, we could no longer offer you quality prescription drug coverage at an affordable cost through your current Medicare supplemental plan.

Eliminating TLC supplemental drug coverage will allow you to choose the prescription drug plan that is best for you. You will be able to save money and find the best mix of prescription drug coverage and cost in conjunction with Medicare Part D.

Basic, enhanced and Medicare Advantage supplemental drug coverage options are being offered beginning in January by a number of companies. To find out what option would best meet your needs, and for more information on the Medicare Part D benefit, consult the "Medicare & You 2006" handbook. You should have received this in the mail. You may also call 1-800-MEDICARE (1-800-633-4227) or visit the Medicare Web site at [www.medicare.gov](http://www.medicare.gov). The enrollment period for Medicare Part D runs from November 15, 2005 through May 15, 2006. But remember that your current drug coverage will end on December 31, 2005, so do not delay enrolling in a separate Medicare Part D plan so that you will have coverage on January 1 of next year.

Here's what you need to do before December 31, 2005:

- Research your Medicare Part D plan options, comparing premium costs and out-of-pocket expenses, such as copayments and coinsurance. Have a list of your medications and what they cost now. Check the formularies (lists of covered drugs) for each plan option to see if the drugs you take are covered and what the cost will be. Be sure that the pharmacy you use is in the plan's pharmacy network. Finally, choose the plan that is the most comfortable for you.
- Enroll in a Medicare Part D prescription drug plan before the end of the year. Your current prescription drug coverage ends December 31.

- If you want to continue your current TLC Medicare medical supplemental coverage (Advantage 65, Advantage 65 with Dental/Vision or Option I), you may do so. These plans will now offer medical coverage only. Premiums will be reduced by about \$200 a month. No action is required on your part. You will automatically retain your medical coverage.
- If you decide to drop your TLC supplemental medical coverage, complete the waive coverage section of the enclosed enrollment form and return it to your previous local employer before December 31. Remember that once you drop your TLC medical coverage, you cannot re-enroll in the future.

We regret the inconvenience to you of our decision to eliminate supplemental prescription drug coverage. It has been our pleasure to serve you through your former local employer.

Sincerely,

Mary Habel, Director  
The Local Choice Health Benefits Program

Enclosure:  
Enrollment Form