

Opting Out of the UT SELECT Part D Prescription Drug Plan

Background, Process, and Resources

I. Part D Overview

UT SELECT Part D Background

The UT SELECT Part D prescription drug plan is available for Medicare-eligible members in the following groups: non-working retirees, spouses/dependents of non-working retirees, and surviving spouses and dependents.

The Office of Employee Benefits (OEB) introduced the UT SELECT Part D prescription drug plan in 2017. Previously, all UT SELECT Medical Plan members, including those in the groups above, were enrolled in the standard UT SELECT commercial prescription plan as part of their medical benefits. OEB partnered with Medicare to create this employer-based Part D prescription plan. Doing so allowed the Plan to take advantage of significant rebates from pharmaceutical companies, saving millions of dollars. The money saved contributes to the long-term financial solvency of our self-funded Plan, allowing us to offer no-premium medical coverage to current retirees and keep it available as a continued option in the future for prospective retirees.

Both the commercial and Part D prescription plans are administered by Express Scripts (ESI), use the same tier structure, and allow members the same prescription fill options, like Smart90 refills. Of the few differences in the UT SELECT Part D Prescription plan, you should note that:

- The ESI customer service units are different for commercial and Part D members.
- The Part D prescription plan drug formulary is slightly broader.
- The \$100 deductible starts over in January instead of September.
- Each participant receives a new ID card with their own Benefit ID (BID) listed, even those who are spouses/dependents and otherwise use the subscriber's BID.

Internally, the term EGWP (“egg-whip”), an acronym for Employer Group Waiver Plan, is often used in place of the full UT SELECT Part D plan name.

Other Part D Plan Options

Some members may choose to sign up for a private Medicare Part D Program or Medicare Advantage plan, although our materials strongly discourage people from doing so. Individuals make this decision for a variety of reasons. For example, a person may choose a Medicare Advantage Plan that allows them continued access to a specific system of medical providers.

II. Opting out of the UT SELECT Part D Prescription Plan

Purpose of the opt-out

In most cases, the Centers for Medicare and Medicaid Services (CMS) does not allow enrollment in a Part D prescription plan while the member is enrolled in another Part D plan or Medicare Advantage plan, even for Advantage plans without prescription coverage. There are a few exceptions, but most Advantage plans will create a conflict with our Part D plan.

The process of opting out of the UT SELECT Part D Prescription Plan allows a member to be enrolled in their preferred outside, non-compatible Medicare plan and remain enrolled in the UT SELECT Medical Plan.

When is an opt-out permissible?

An opt-out is permissible only when one has enrolled in a non-compatible Medicare Advantage plan or other Part D prescription plan.

When is an opt-out not permissible?

Opting out of the UT SELECT Part D plan is not permissible for any other reason. In particular, Tri-Care is not an incompatible plan, so an opt-out is not permitted due to coverage through Tri-Care. Additionally, being subject to D-IRMAA (Medicare Part D Income-Related Monthly Adjustment Amount) through the Social Security Administration does not allow one to opt-out. Individuals trying to avoid D-IRMAA may drop their UT SELECT medical coverage upon request, which entails losing both medical and prescription benefits.

Will members who opt-out have prescription benefits with UT SELECT?

Yes. Member will always be enrolled in either the Part D plan or the commercial prescription plan. OEB will switch members who opt-out of the Part D plan to the commercial prescription coverage plan.

Required documentation

A member may contact ESI to opt-out of the UT SELECT Part D Prescription Plan, but must complete the process through their HR/benefits office. The member must provide the HR/benefits office with clear documentation of their enrollment in an outside Medicare plan that creates a conflict with UT SELECT Part D. Clear documentation includes a letter or ID card from the other plan; a verbal attestation isn't sufficient.

Process

1. The HR/Benefits office acquires documentation from the member.
2. The HR/benefits office contacts [Craig Eivens](#), [Christine Bunce](#), and [Lance Rowell](#) at OEB to request a Part D opt-out.
3. OEB enters the "Opt Out begin date" in Marketplace. OEB routinely files a case with BF regarding opt-out begin dates.
4. OEB also notifies ESI's Medicare Part D unit via email.

III. Confirming Opt-Outs in Benefitfocus Marketplace

Determining coverage in Benefitfocus

You can determine if someone is already opted out of the Part D plan by opening their record through your Benefitfocus HR role. Once on their record, click on the **Manage Employee** button and select **Manage Medicare**. If they are opted out of the Part D plan, an "Opt-Out Start Date" will be filled in.

Medicare Policies

Opt-Out Start Date: 09/01/2020

Opt-Out End Date:

Edit Delete

Medicare Number:

Hospital Insurance (Part A) Effective: 06/01/2017

Terminology

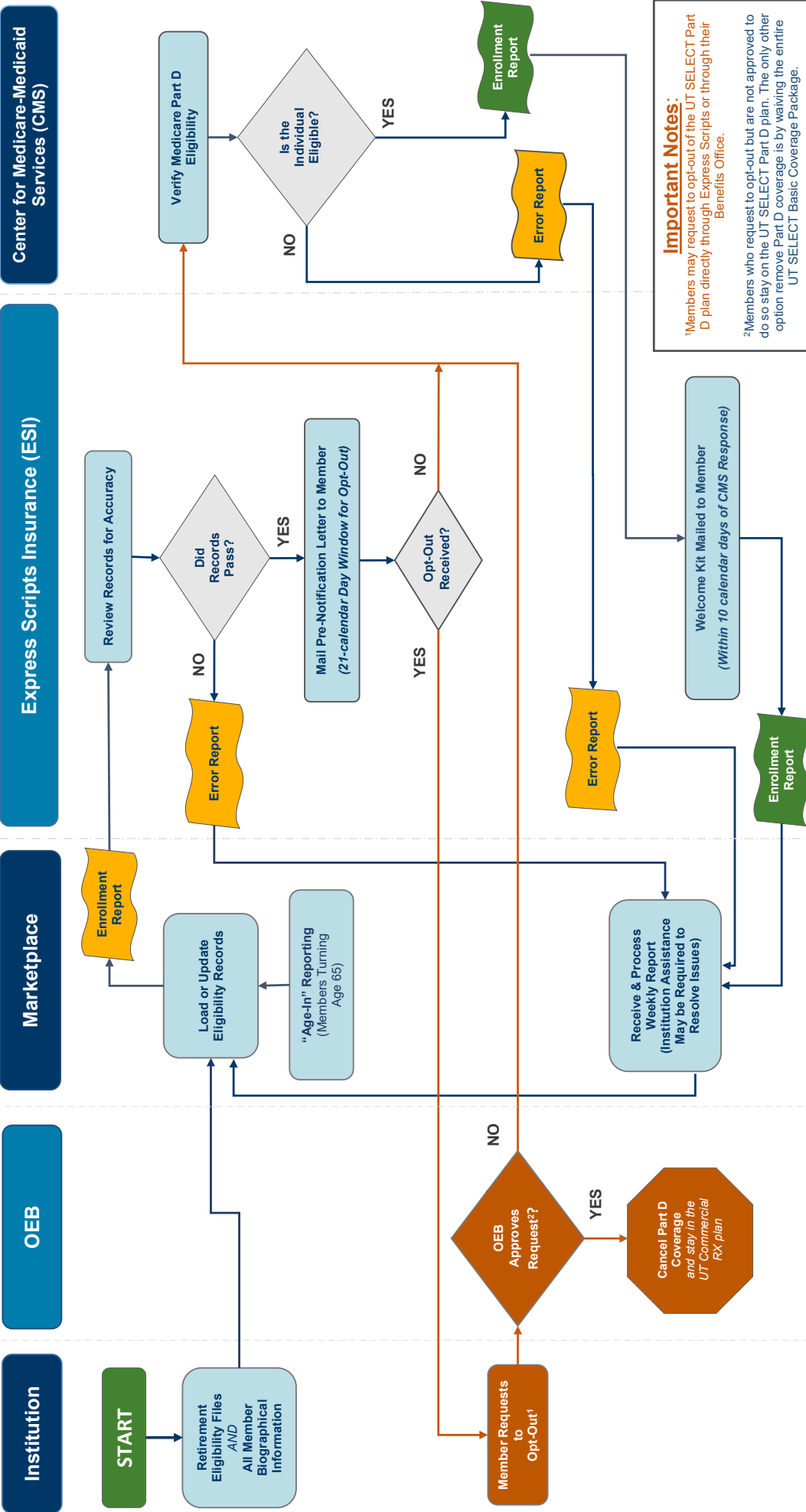
In Marketplace, the Part D Plan is always referred to as "EGWP." The commercial prescription plan is often referred to simply as "Pharmacy" or "Commercial."

IV. Resources

UT Benefits' "Prescription Drug Plan – Retired Employees" page: <https://utsystem.edu/offices/employee-benefits/insurance/retired-employee-insurance/prescription-drug-plan-retired-employees>

Medicare.gov's "Get Started with Medicare" page: <https://www.medicare.gov/basics/get-started-with-medicare>

UT SELECT Part D Plan Enrollment Process



Important Notes:

¹Members may request to opt-out of the UT SELECT Part D plan directly through Express Scripts or through their Benefits Office.

²Members who request to opt-out but are not approved to do so stay on the UT SELECT Part D plan. The only other option remove Part D coverage is by waiving the entire UT SELECT Basic Coverage Package.