KAISER PERMANENTE® Kaiser Foundation Health Plan of the Mid-Atlantic States, Inc.

July 20, 2020

Alicia Cochran
Lithographers & Photoengravers Local 285 Welfare Fund
911 Ridgebrook Rd
Sparks, MD 21152

SUBJECT: 2021 Kaiser Permanente Medicare Plan Contract Renewal

Dear Alicia Cochran

Thank you for the opportunity to provide renewal information for your health plans with Kaiser Permanente in the Mid-Atlantic States. We value your continued partnership and look forward to working with you in the future.

Inside this letter and accompanying documents, you'll find:

- 2021 group renewal rates
- Important contract, benefit and other changes that will take effect next year
- CMS changes

Our commitment to affordability

For 75 years, our mission has been to provide high-quality, affordable health care services and to improve the health of our members and the communities we serve. As a leader in confronting the challenges facing health care in America, we aim to keep our expense trends in line with economic growth.

We believe in quality health care that provides good value at a price people can afford to pay. Our investment in prevention, quality, clinical excellence, patient safety, and administrative efficiency enables us to manage costs and continue providing high-quality care for your employees.

We are excited to share new benefits for all of our employer group sponsored members. These changes are being added to all 2021 employer plans.

- *Silver and Fit Exercise and Healthy Aging* – This program provides a no-cost membership at a participating fitness center of the member's choosing, and up to three at- home fitness kits. Members may choose two traditional fits, which include an instructional DVD and printed guide, and one StayHealthy kit, which include a Fitbit or Garmin wearable device, yoga mat, or exercise bands. This benefit also includes website access, online fitness classes, educational tools, as well as social activities and rewards programs.

- *Vision Benefit Adjustment* – Members now have a $100 allowance to use at KP Vision Essentials locations. This allowance can be used toward frames, lenses, or contact

lenses and may also be used in combination with other vision benefits that your members may have. This allowance replaces the eyewear discount that was previously offered on our Medicare plans.

- *At-Home Phototherapy*- currently, Medicare allows members to undergo home treatments of phototherapy for the treatment of psoriasis with authorization from a physician. In 2021, additional qualifying conditions will be added to allow more Medicare members access to at-home phototherapy treatments in consultation with their physician.

- *Expanded Preventive Services*- additional lab tests (a1c, LDL, INR) and screenings (retinopathy) will be added to our package of preventive benefits, for which there is no charge to the member.

- *KP Medicare Formulary Changes* – Kaiser Permanente is making adjustments to its formulary this year that will remove some brand name drugs that have generic equivalents as well as add additional specialty drugs to the formulary

The Kaiser Permanente Medicare health benefit plan is scheduled to renew on January 1, 2021 and go through December 31, 2021. We are pleased to offer a -3.5% rate for the 2021 plan year. Your contract will automatically renew with your current plan design and 2021 rates attached herein, unless you request or have requested a change in writing. Your renewal rates and Summary of Benefits for the new contract period are enclosed.

The enclosed 2021 renewal quote reflects our standard rate assumptions and requirements. **As outlined in our Rate Proposal, all the health plans offered must have comparable benefit designs.** If we find that the member cost share for certain benefits in another plan you offer is substantially different than ours, we may propose a new plan design to align our benefits.

In addition to changes Kaiser Permanente is making to your plans for 2021, we want to share some changes that have originated from CMS

- *Medicare Covered Acupuncture Change (Q1 2020 effective date)* – On January 21, 2020, CMS issued a National Coverage Determination that allows up to 20 annual acupuncture visits for the treatment of chronic lower back pain (cLBP). Members should consult with their PCP to determine if they qualify.

- *Next Generation Sequencing (Q1 2020 effective date)*- On January 27, 2020, CMS issued a National Coverage Determination that determined that Next Generation Sequencing (NGS) will be covered by Medicare when ordered by a physician for certain types of cancers or cancer risk-factors.

Your Partner in Health

Thank you for the opportunity to continue providing your Medicare-eligible retirees with quality health care services in 2021. Kaiser Permanente is committed to the well-being of your retirees. At Kaiser Permanente, we aspire to a single goal: we want our members to thrive. No matter what health status or stage of life, we want our members to be as healthy as possible and live life to the fullest.

If you have any questions or need to discuss changes to the benefits offered, please contact

Toni Conner, Medicare Associate Retiree Consultant, at (443) 447-8023 or Toni.Y.Conner@kp.org.

Sincerely,

Tanya Robinson

Tanya Robinson
Executive Director KP Medicare

Enclosures:
Group Renewal Notice
Rate Calculation Sheet
Plan Summary
Important CMS Information

Important CMS Information

Annual Election Period 2021	The Centers for Medicare and Medicaid Services (CMS) 2019 Annual Election Period (AEP) will be from October 15, 2020 through December 7, 2020. This does not affect your employer group sponsored plans' open enrollment dates. The AEP is the time during which individual Medicare beneficiaries may enroll in, change their Medicare Part D plan or disenroll from a plan and return to original Medicare. If any of your retirees or their spouses are enrolled in a Medicare plan as an individual, not on the employer plan, this election period will apply to them. In 2021, the Medicare Advantage Open Enrollment Period will run from January 1 – March 31 to allow Medicare beneficiaries additional opportunities to change coverage.
Part D Global Threshold Changes	On January 1, 2021, the following changes will apply to all Medicare plan members who are covered by Medicare Part D benefits: Members enrolled in the Individual Kaiser Permanente Medicare plan will have a coverage gap from the ICL to the TrOOP, during which they will pay 25% plus a dispensing fee for brand name drugs, and 25% of the Plan's cost for generic drugs. Employer group waiver plan benefits continue to cover medications through the Medicare Part D coverage gap, so members of employer group plans will not experience the coverage gap. • Initial Coverage Limit (ICL): increases from $4,020 to $4,130 • Limit: (TrOOP): increases from $6,350 to $6,550 Once the Part D out of pocket spending limit has been reached, beneficiary copayments will be reduced to the amounts appropriate for the Employer Group Medicare plan offered.
LIS Reminder	Eligible individuals who have limited income may qualify for a government program that helps pay for Medicare Part D prescription drug costs. The Medicare low-income subsidy (LIS), also known as the Medicare Extra Help program, can amount to savings of as much as $4,000 per year. Medicare beneficiaries receiving LIS get assistance in paying for their Part D monthly premium, annual deductible, coinsurance, and copayments. Also, individuals enrolled in the Extra Help program do not have to pay the LEP while they are in the LIS program. This subsidization of the premium is applied to the employer's monthly Kaiser Permanente premium statement. The employer can refund the premium subsidy to the member or may be entitled to the subsidy when the employer is paying the premium for the member. You will find

	confirmation of this policy and the LEP policy in your employer contract that will be sent at the beginning of the year.
LEP Reminder	The Medicare Part D Late Enrollment Penalty (LEP) is added to the Medicare Part D premium by the Centers for Medicare and Medicaid Services (CMS). It is not a charge from Kaiser Permanente. A beneficiary may owe a late enrollment penalty, if they go without Part D or creditable prescription drug coverage for any continuous period of 63 days or more after their Initial Enrollment Period is over. The Medicare Part D premium is included in the Kaiser Permanente Medicare Plan premium, so the LEP (if applicable) appears on the Kaiser Permanente employer group dues/premium billing each month and may be passed along by the employer to the member. The amount of the LEP depends on how long CMS determines the beneficiary went without Medicare Part D or creditable prescription drug coverage. Retirees who are flagged by CMS to be charged the LEP are sent three (3) letters from CMS by the plan explaining the pending charge and include a form that the retiree can send back to show there was creditable coverage. Once that form is received by CMS or their contractor, the LEP is reduced or eliminated. Most LEPs can be eliminated just by responding to the letter. There may be rare instances where your employee/retiree/dependent had no coverage or lesser coverage through a spouse's plan. In such cases, the LEP must be paid. This is a Medicare Part D charge (not a Kaiser Permanente charge) and is not negotiable. CMS provides an appeal process for cases where the entire charge or the amount is disputed by the Medicare beneficiary.

* Source CMS Monthly Enrollment by CPSC August 2019

2021 Kaiser Foundation Health Plan of the Mid-Atlantic States Group Medicare Health Plan Rates

Group Name: Lithographers/Photoengravers Local 285 (High Option)

Underwriting Signature: Zach Azigi

Group # (PID) 5238 **Subgroup/s (EU)** 201

Comments:

Effective Date: 1/1/2021

Date issued : 6/29/2020

Year	2021
Jurisdiction	DC
KP Medicare Plan Name*	C++ (with Part D Rx)
Commissions	NA
Is this a National Group?	No

Benefit Description*:

Office visit	**$10**
Inpatient Copay	**$0**
RX MO/KP/ANP**	**5/10/15-withD**
Dental	**$30 preventive**
Vision (including $100 Allowance)	**standard**
DME	**$0**
ER	**$50**

Additional Rider Benefits:

Hearing Aid	**none**
Chiropractic & Acupuncture	**none**
Acupuncture Only	**none**
Eyeglass Lenses & Frames & Contact Lenses	**none**

PMPM (Medicare A, B & D)	**$297.28**	
Cost of Rider Benefit(s) PMPM	**$0.00**	
Total PMPM (Medicare A, B & D)	**$297.28**	**(includes applicable state mandates)**

**** 60 day supply**

This is not a complete description of plan benefits. For details of each plan, please consult the appropriate Plan Summary of Benefits or Explanation of Benefits (EOC) document.

2021 Medicare Plan Benefits—Plan C++ with D

BENEFIT	Plan C++ with D
Annual Deductible	No Annual Deductible
Annual Out-of-Pocket Maximum	$3,400
Primary Care Physician Visits (Family Care, Internal Medicine)	$10 copayment
Specialist	$10 copayment
Routine Physical Exams	$0 copayment
Diagnostic Imaging	$0 for lab and x-ray
Therapeutic Radiology	$10 copayment
Medicare Covered Preventive Care	$0 copayment
Prescription Drugs	
Mail Order from Kaiser Permanente	$5 Generic or Brand Up to 90 days maintenance
Kaiser Permanente Medical Center Rx	$10 Generic or Brand Up to 60 days supply
Affiliated Network Pharmacy Giant, Rite Aid, Safeway, Target, Walmart	$15 Generic or Brand Up to 60 days supply
Inpatient Hospitalization	$0 per benefit period
Outpatient Surgery @ Surgery Center	$0 copayment
Emergency Visits	$50 copayment
Ambulance	$0 copayment
Inpatient mental health	$0 per benefit period
Outpatient mental health	$10 copayment per visit
Inpatient chemical dependency	$0 per benefit period
Outpatient chemical dependency	$10 copayment per visit
Other Health and Wellness Services	
Medicare Covered Chiropractic	$10 copayment per visit
Physical and Speech Therapy	$10 copayment per visit
Home Health, Hospice	$0 copayment
Durable Medical Equipment	$0 copayment
Dental discount plan (25% discount when seen by participating dentists	$30 examination, cleaning 2x per year
Vision hardware discounts	25% off frames and lenses at Kaiser Permanente vision centers
Fitness	No cost gym membership at participating Silver & Fit facilities, online fitness classes, and home fitness kits

For illustration only—Not an official Plan document. Please see Plan summary of benefits or EOC for details.

Silver&Fit® KAISER PERMANENTE®

Activate your no-cost Silver&Fit® fitness membership today!

The Silver&Fit Healthy Aging and Exercise program includes a robust fitness center network and additional options you may like, based on your unique needs. Find the best fit for you!

National Network of 14,000+ Fitness Centers

- You are eligible for a fitness center membership at one of 14,000+ participating fitness centers
- At no cost to you
- Many fitness centers also offer group classes tailored to older adults*

Home Fitness Kits

- If you prefer to work out at home, choose up to 2 kits per benefit year at no cost to you
- 35 unique options available, including a Fitbit® Connected! kit

Silver&Fit's ASHConnect™ Mobile App

- Activity tracking on over 250 wearable fitness devices, including Apple Watch,® apps, and exercise equipment**
- Virtual streaming group exercise videos so you can work out on your schedule
- Fitness center search to find a location with your favorite features

Enhanced Fitness Center Search

Through **silverandfit.com**, easily locate fitness centers near you. Use the enhanced search to find details like:

- Location information (address, phone number, hours, etc.)
- Types of amenities/services (like swimming pools where available)
- Photos of the location
- And more

Additional Resources

- 48 Healthy Aging classes
- *The Silver Slate*® quarterly newsletter

> I joined Silver&Fit to get more active and now I'm healthier and part of an AMAZING COMMUNITY
>
> *– Silver&Fit member*

continues

Getting started is as easy as 1-2-3!

1. Go to **silverandfit.com** to register.
2. Find a participating fitness center or sign up for the Home Fitness program.
3. Simply bring this flier to the participating fitness center to enroll.

If you prefer to speak with a Silver&Fit Customer Service agent, you can also call toll-free **1-877-750-2746** (TTY/TDD **711**), Monday through Friday, 5 a.m. to 6 p.m. Pacific time.

Talk to your doctor before you start or change your exercise routine.

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* Services that call for an added fee are not part of the Silver&Fit program.
** Purchase of a wearable fitness device or application may be required and is not reimbursed by the Silver&Fit program.

In the District of Columbia, Kaiser Permanente is an HMO plan with a Medicare contract. In Maryland and Virginia, Kaiser Permanente is an HMO plan and a Cost plan with a Medicare contract. Enrollment in Kaiser Permanente depends on contract renewal. You must be a Kaiser Permanente Medicare health plan member to remain eligible for the Silver&Fit benefit. In Maryland and Virginia, Silver&Fit is not available with Kaiser Permanente Medicare Advantage Value (HMO) plans.

Your use of ASHConnect serves as your consent for American Specialty Health Fitness, Inc. (ASH Fitness) to receive information about your tracked activity. The Silver&Fit program is provided by American Specialty Health Fitness, Inc. (ASH Fitness), a subsidiary of American Specialty Health Incorporated (ASH). All programs and services are not available in all areas. The people in this piece are not Silver&Fit members. Something for Everyone, Silver&Fit, ASHConnect, the Silver&Fit logo, and *The Silver Slate* are trademarks of ASH. Other names or logos may be trademarks of their respective owners. Home kits are subject to change.

♻ Please recycle.
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