



Tennessee Valley Authority
400 West Summit Hill Drive
Knoxville, Tennessee 37902-1401



October 15, 2015

Dear Medicare Supplement Enrollee:

This letter provides information about your 2016 Medicare Supplement plan. Your Medicare Supplement will continue to include medical coverage through BlueCross BlueShield of Tennessee, prescription drug coverage in a Medicare Part D plan administered by OptumRx (formerly Catamaran), and a vision discount plan provided by BlueCross BlueShield of Tennessee in partnership with EyeMed Vision Care.

MEDICAL CHANGES AND INFORMATION

There are no changes being made to the medical portion of your Medicare Supplement plan for next year. The Supplement will continue to pay the hospital deductible under Medicare, 20-percent of Medicare-approved charges for eligible Part B services, as well as other services covered in part by Medicare.

As a reminder, to obtain your vision discount, simply show your BCBST identification card at any in-network provider. If your provider has an issue verifying your benefits, give them plan #9242991. To find an in-network provider, go to www.eyemedvisioncare.com/blueperks or call BCBST at 1-800-245-7942.

PRESCRIPTION DRUG CHANGES AND INFORMATION

Important: There are changes being made to the prescription drug portion of your Medicare Supplement plan for next year. Effective January 1, 2016, the deductible will increase to \$160 (combined retail and mail) and the generic copay will increase to \$20 at retail / \$40 at mail. Currently, the deductible is \$100 and the generic copay is \$15 at retail / \$30 at mail. In addition, there will no longer be a discount on brand copays in the Coverage Gap stage. Once you meet your deductible, copays will remain the same until you reach the Catastrophic Coverage Stage.

During this month, you will receive information from OptumRx regarding your drug coverage for 2016. This will include your Evidence of Coverage, Annual Notice of Change and an Abridged Formulary. Some medications may be covered in different tiers next year, and a change in tier may change the amount you pay for medication. Please read the OptumRx information carefully.

Other Medicare Part D plans will hold open-enrollment periods, but **you do not need to enroll in a Part D plan if you wish to continue coverage in the TVA plan.** In fact, Medicare will not allow you to have two Part D plans.

PREMIUM CHANGES AND INFORMATION

The current Medicare Supplement premium is \$276 per month. **The 2016 premium will be \$290 per month** beginning with the premium for January 2016. This total premium does not reflect any pension supplement or contribution you receive to help with the cost of medical coverage. If you receive such help, you may pay a lesser amount. If you pay for your coverage through pension deduction, the January 2016 premium will be deducted from the pension benefit you receive at the end of December 2015.

A reminder if your payment for medical coverage is deducted from your monthly retirement check: Should the amount of your monthly retirement benefit change at any time such that it will not cover the amount of your medical premium, you will need to change your method of payment to automatic bank-drafting. TVA will review records in early 2016 and will notify you if it appears that your premium can no longer be deducted from your monthly retirement check.

We know your Medicare Supplement plan is important to you and encourage you to stay informed about your plan by reading material you receive, along with the information available through the TVA Retirees Association and on www.tva.com. You may call TVA Employee Benefits at 888-275-8094 if you have general questions about your Medicare Supplement. For information about your prescription drug coverage, please call OptumRx Member Services toll free at 855-207-5871 (TTY users should call 711).

Sincerely,

A handwritten signature in black ink, appearing to read "Kelly R. Lawson". The signature is fluid and cursive, with the first name "Kelly" being the most prominent part.

Kelly R. Lawson
Senior Manager, Employee Benefits