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**A MESSAGE FROM
THE TVA RETIREE ASSOCIATION HEALTH COMMITTEE**

As part of the annual review of the Medicare Prescription Drug Plan, we worked with TVA to help determine how best to cover the projected increase in plan costs for the coming year. One way, and the simplest way, is to raise just the premium. But that is not necessarily the best way for you as an individual or for the plan as a whole. Therefore, you are seeing several plan design changes for 2015 – a combination of changes in the premium, drug plan deductible, and copays.

We would like to provide a little insight into why there are several changes being made, rather than just setting a higher premium. One of the major factors involves the plan’s coverage gap and catastrophic coverage stages.

The total costs of your covered drugs (what you pay and what the plan pays) accumulate as out-of-pocket costs toward reaching the coverage gap. Once in the coverage gap stage, only what you pay and the manufacturer’s discount on brand drugs accumulate as out-of-pocket costs toward reaching the catastrophic stage. **Your premium does not count as an out-of-pocket cost.** Your **deductible and your copays do count** and can help you reach the coverage gap stage where you receive additional drug discounts and pay only 50% of the co-pay for brand drugs. If you reach the catastrophic coverage stage, the plan pays most of the cost of your drugs.

In general, the plan redesign recovers more cost in ways that are directly related to your out-of-pocket drug costs rather than additional premium increases that do not. We believe these plan changes minimize the premium increase and will also help more members benefit from coverage gap and catastrophic coverage savings. This can help the plan as a whole, as well.

Plan Features	2014	2015
Premium (Medical and Drug)	\$258	\$276
Deductible (Total retail and mail) <i>(Recently Discontinued retail only)</i>	\$0 (\$200)	\$100
Copay: Retail (31 days)/Mail (90 days)		
Tier 1 Generic	\$10/\$20	\$15/\$30
Tier 2 Preferred Brand	\$40/\$80	\$40/\$80
Tier 3 Non-Preferred Brand	\$80/\$120	\$80/\$160
Tier 4 Specialty	\$80/\$120	\$80/\$160
Medicare: Coverage Gap Stage	\$2,850	\$2,960
Catastrophic Coverage Stage	\$4,550	\$4,700

***Remember:
Some drugs cost less than the copay. If so, you only pay the actual cost!***

DELTA DENTAL OPEN ENROLLMENT

Delta Dental will continue as the provider for Retiree Dental Insurance. Monthly premiums will **decrease**. Effective January 1, 2015, the premiums will be:

Dental Premiums	2014	2015
Individual	\$34.26	\$33.42
Family	\$80.85	\$78.87

Current plan participants need to take no further action to receive the lower premium and continue in the plan. For those wishing to join the plan, there will be an **open enrollment period from Nov. 3 -Dec. 15, 2014**. The effective date of coverage will be January 1, 2015

Enrollment packages will be available on November 3 at www.tva.com/retireeportal (see Health Care Benefits). Packages will also be available beginning November 3 by emailing the TVA Service Center at esc@tva.com or by calling 865-632-8800, 423-751-8800, or toll-free at 888-275-8094.