When I last spoke to you in March, there was a lot of confusion about refilling 90-day prescriptions or multiple 30-day prescriptions for the same medication when Cigna was our Medicare Supplement plan administrator. This confusion persisted when we changed to Anthem in July. Let me again state categorically – you can refill your 90-day prescriptions or your multiple 30-day prescriptions at any pharmacy of your choice if you are enrolled in our Medicare Supplement Plan. You do not have to use mail order to do so unless that is your wish. If you do choose mail order refills, then you will have to use the UCH pharmacy. I have been told that some Boulder pharmacies will not do these refills and my advice is to go to another pharmacy that will. All of the big chains like Walgreen and Rite Aid will do so. Anthem is supposed to be sending a letter about this to all insured retirees in this plan, some 768 of us.

As I’m sure you are aware, we have been fortunate in that the monthly premium for the Medicare Supplement Plan for retirees has remained the same as it was under Cigna. You may be interested in the fact that looking at all enrollees in all of our health insurance plans, 1% are responsible for 39% of the plan costs. The three largest causes are premature births, motor vehicle accidents and cancers.

In the spring, President Benson agreed to have a voting member of the Health and Welfare Trust appointed from the faculty. This body, as you know, oversees our self-insurance system. This action was in response to the intense outcry from faculty and staff that employee voices were not being heard in the deliberations about our health care coverage. The appointment of two non-voting employee members to the Trust Board did
nothing to improve matters. The President has appointed Dr. John McDowell from the School of Dentistry to this position. I believe John to be a very capable person and UBAB will have him come to one of our upcoming meetings to discuss our concerns about the Trust.

Having Anthem as our new administrator has not been without its own set of problems. With Cigna, right at the pharmacy window, we were given discounts both for its medication price negotiated with a particular pharmacy and the 80% medication discount available to those who had achieved the $240 deductible on the Medicare Supplement Plan. This allowed us to acquire our medication by paying only 20% of the charge. Anthem does it differently. Their pharmacy discounts on medications seem less than those negotiated by Cigna and they require that you pay the full charge up front at the pharmacy. They then will send you a check for your 80% rebate when you have achieved the $240 deductible. There has been a lot of trouble with this system. For about eight weeks, no refund checks were sent out and finally, when some were, at least 77 were for 100% of the medication price instead of 80%. They now are catching up and last week I received six refund checks. They seem to be up to about September 9 in their rebates. It does appear that they will probably get back to a 3-4 week lag time in sending out rebates but the big problem, I’m sure, for some retirees is the many hundreds of dollars that they have to pay initially to get their drugs and then wait a month or more for reimbursement. I have had many discussions with Employee Services about this and undoubtedly will have many more before we can hopefully see a change in this practice. If you want to make your views about this known, I suggest you communicate with Jill
Pollock, Vice President for Employee and Information Services and Chair of the Health and Welfare Trust. Her email address is jill.pollock@cu.edu.

I have mentioned to you in the past that the chair of the Faculty Assembly at the Anschutz Medical campus still has not appointed an alternate for me on UBAB. I hope that, in addition, a replacement for me can be appointed before my term of office ends on June 30, 2014.

UBAB met with President Benson last month who stated that since he did not know much about insurance, he has pretty much turned over this area to Vice President Pollock. From our discussion at that meeting, it appears to us that one of UBAB’s activities in relation to the Trust will likely be to monitor its functioning and report on any problems.

Finally, I don’t know how many of you saw an extensive article about medication costs in The New York Times of Sunday, October 13. It dealt with the fact that drug costs in the United States are much higher than in Europe. One example given was the drug Pulmicort that is used frequently for asthma control. It retails in this country for more than $175 while in Britain it costs pharmacists about $20 and they give it free to asthmatics. In 2012 in our country, generic drug prices increased an average of 5.3% while the cost of brand name drugs went up more than 25%. Some pharmaceutical companies pay generic drug makers not to produce cut-rate competitive drugs, a process euphemistically called “pay for delay.” Drug companies spend 15-20% of their revenue on research but spend much more on marketing and sales. I don’t know how many of you are aware that Medicare is prohibited by statute from negotiating drug prices with
pharmaceutical companies. All in all, I find information such as this to be quite dismaying.

If you now have questions, I will be happy to try to answer them.