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**Blue Cross and Blue Shield of Texas to Educate Medicare Beneficiaries
about New Medicare Part D Prescription Drug Coverage**

*Education and Awareness will be Key to Success of
Medicare's Part D Prescription Drug Coverage, Insurance Leader Says*

Richardson, Texas – Aug. 17, 2005 – Blue Cross and Blue Shield of Texas (BCBSTX) today announced an outreach campaign designed to help Medicare beneficiaries and their caregivers understand the many changes occurring this year in Medicare prescription drug coverage.

The success of the Part D plans — and the success of Medicare's prescription drug program in general — lies in the ability of Medicare and Part D plan providers to communicate with and educate Medicare eligibles about the drug program.

“During this time of sweeping Medicare reform, Medicare beneficiaries will be confronted with an array of new choices and requirements regarding their prescription drug coverage,” says Nancy Donaldson, BCBSTX vice president of Strategic Medicare Business Development. “Seniors and other beneficiaries need and want to be able to turn to trusted sources to help them navigate these changes.”

Critically important to beneficiaries is an understanding of the Medicare timeline, enrollment requirements and restrictions. BCBSTX also plans to conduct education and outreach for brokers in Texas.

Medicare, the U.S. health insurance program for 42 million elderly and disabled Americans, will begin offering the new drug benefit Jan. 1, 2006, through plans administered by a select group of private companies. In March 2005, HCSC Insurance Services Company (HISC), a wholly owned subsidiary of BCBSTX parent company HCSC, submitted a bid to the Centers for Medicare and Medicaid Services (CMS) to offer prescription drug plans under the new Part D benefit. Medicare eligibles must enroll in the drug program between Nov. 15, 2005, and May 15, 2006, to avoid being locked out until November 2006, and to avoid being assessed a late-enrollment penalty that would increase the cost of their monthly benefit.

Those who enroll after May 15, 2006, will be assessed a 1 percent per month penalty for each month they select not to enroll, which can add up to an additional 6 percent to the monthly cost of their premium.

“Because of the strict enrollment guidelines, we’re not only encouraging Medicare beneficiaries to learn about Part D drug coverage as soon as possible, but we also will serve as a source for important information on the topic,” says Donaldson. “As the leading provider of Medicare Supplement plans in the state, BCBSTX wants to ensure that beneficiaries don’t miss the enrollment deadline and end up paying a higher Medicare premium.”

BCBSTX will offer educational seminars, brochures and newsletter articles, as well as online education, to help create awareness about the Medicare drug benefit and the enrollment deadlines.

Key dates for seniors and other Medicare eligibles include:

- **Immediately: General marketplace awareness and education about changes to Medicare benefits**

Seniors, caregivers and others who may be affected should look for news and information from Medicare, BCBSTX, as well as other organizations, about changing benefits and enrollment deadlines.

- **Oct. 1, 2005: Product marketing begins**

Medicare recipients and caregivers will begin receiving information from Medicare-selected insurance carriers about their product options.

- **Nov. 15, 2005, through May 15, 2006: Initial enrollment period for Medicare prescription drug coverage**

Medicare beneficiaries should enroll in their Medicare drug plan of choice. Those eligible who enroll after May 15, 2006, will be assessed a 1 percent penalty per month, which could add as much as 6 percent to the monthly cost of coverage.

- **May 16, 2006, through Nov. 14, 2006: Lockout period**

Medicare eligibles may not enroll during this period. Penalties for late enrollment begin accruing.

- **Nov. 15, 2006, through Dec. 31, 2006: Secondary enrollment period**

Enrollment opens again during these dates.

Blue Cross and Blue Shield of Texas is the only statewide, non-investor owned health coverage provider in Texas, serving nearly 4 million members in all 254 counties. Blue Cross and Blue Shield of Texas is a division of Health Care Service Corporation, a Mutual Legal Reserve Company, an Independent Licensee of the Blue Cross and Blue Shield Association.

For more information about Medicare’s Part D prescription drug program, visit www.bcbstx.com or www.medicare.gov/Publications/Pubs/pdf/11065.pdf. You may also call 1-800-MEDICARE (1-800-633-4227) to speak with a counselor about the prescription drug benefit.