



Medco Health Solutions, Inc.
100 Parsons Pond Drive
Franklin Lakes, NJ 07417
www.medco.com/rph

December 2006

Dear Pharmacy:

As a participant in the Medicare Part D prescription drug program with Medco's YOURx Plan PDP, and in support of a number of other client or Plan Sponsor Medicare Part D plans, PDPs, and MA-PDs, Medco offers the attached year-end communications in preparation for 2007.

Attached please find five (5) attachments with information regarding the following for 2007.

1. Primary Sponsors (to include PDP, Employer PDP, and MA-PD sponsors, including existing plans, and new and employer primary plans)—2 pages
2. Sponsors offering Secondary coverage—1 page
3. Enhanced PDP Sponsors (with Exhibit 02 letter)—2 pages
4. Medco's YOURx PLAN Formulary Information 60-day notice—1 page
5. Fraud, Waste, and Abuse (FWA) Compliance—1 page

In addition and as previously communicated, Medco has updated its payer sheets to reflect NPI acceptances. The current payer sheets and all correspondence noted above are also available on the Pharmacist Resource Center (www.medco.com/rph) website. The claims adjudication window for primary and secondary Medicare Part D claims submission is 90 days.

If you have any questions, please feel free to contact the Pharmacy Services Help Desk toll-free at 1 800 922-1557 or make the inquiry through the website, www.medco.com/rph.

Sincerely,

Medco

LT997049

Medco manages the prescription drug benefit for many of your customers for their health plans.



2007 Medicare Part D Medco's PDP, Employer PDP, MA-PD, and PDP Sponsors

Announcement:	Medco is supporting the Medicare Part D prescription drug benefit for several of our clients who will be offering a Medicare Part D prescription drug plan to Medicare-eligible beneficiaries as either a PDP or an MA-PD.
Action requested:	<p>Effective January 1, 2007, process claims for Medicare beneficiaries of the clients listed below using the newly issued ID card containing the member's new Rx Group number, new non-SSN member identifier, the Rx BIN number, and PCN, all of which are mandatory fields needed for successful claims processing.</p> <p>For the clients listed below, Pharmacy must submit claims to Medco through the <i>TelePAID</i>® System using:</p> <ul style="list-style-type: none">• The RxBIN # 610014• The RxPCN MEDDPRIME• The Rx Group number as listed below• The member's ID number (format listed below)
Note:	Sample ID cards will be available at www.medco.com/rph for many of the plans listed below.
For claim adjudication or general questions:	Contact the Pharmacy Services Help Desk toll-free at 1 800 922-1557, or visit the Pharmacist Resource Center at www.medco.com/rph .

NEW

Plan Name	Type	Rx Group #	ID# format	# of lives	Geographic region
Comprehensive Care Management	SNP/ BMA-PD	CCMRX1	5-digit numeric	2,000	NY
Medical Mutual of Ohio	PDP	MMOMEDD	12-digit numeric	6,000	OH
Medical Mutual of Ohio	MA-PD	MMOMEDD	12-digit numeric	6,000	OH
QMed	SNP/ MA-PD	QMCRX	9-digit numeric	6,000	NJ
FirstCare Health Plans	MA-PD	FCMAPD	9-digit non-SSN numeric	1,500	TX
FirstCare Health Plans	MA-PD	MFCMAPTB	9-digit non-SSN numeric	1,500	TX
HealthNow NY, Inc.	PDP	HNMED	9-digit numeric	1,000	NY
BlueCross and BlueShield of Western NY	MA-PD	HNMED	9-digit numeric	3,000	NY (Buffalo area)
BlueShield of Northeastern NY	MA-PD	HNMED	9-digit numeric	3,000	NY (Albany area)
MVP	MA-PD	MVPMEDD	9-digit non SSN numeric	5,000	NY
UBC St. Louis	Employer PDP	STLCARPMEDD	12-digit client assigned non-SSN	4,500	St. Louis, MO area

EXISTING

Plan Name	Type	Rx Group #	ID# format	# of lives	Geographic region
YOURx PLAN	PDP	RXMEDD1	12-digit numeric	430,000	Nationwide
AlohaCare — Advantage	MA-PD	ALOHACR	15-digit alphanumeric starting with MEM	100	HI
AlohaCare — Advantage Plus	MA-PD	ALOHACR	15-digit alphanumeric starting with MEM	120	HI
Arizona Physicians, IPA	MA-PD	ACHOICE	9-digit numeric	14,000	AZ
BCBS North Carolina	PDP	NCPARTD	11-digit alphanumeric	TBD	NC
Educator's Mutual	PDP	EMIAPDP	11-digit numeric	5,000	UT, ID
Bravo by Elder Health	MA-PD	ELDERHLTH	8-digit numeric	23,000	PA, MD, DE, TX
Bravo by Elder Health	PDP	ELDERHLTH	8-digit numeric	29,000	DE, DC, MD, PA, IL, NJ, NY, MI, FL, OH, CA

(Continued)

EXISTING

Plan Name	Type	Rx Group #	ID# format	# of lives	Geographic region
First UA Medicare Part D	PDP	PDP13697	10-digit alphanumeric	10,000	NY
Health Plan SecureCare	MA-PD	THPMEDI	9-digit alphanumeric starting with H	5,768	OH, WV
Health Plan SecureCare	MA-PD	THPMEDI	9-digit alphanumeric starting with H	6,383	OH
Highmark Freedom Blue	MA-PD	SPBLUE1	Primarily 12 numeric digits; some have 13 alphanumeric digits ending in A or B	26,500	PA
Highmark Security Blue	MA-PD	SPBLUE3	Primarily 12 numeric digits; some have 13 alphanumeric digits ending in A or B	182,700	PA
Highmark Senior Resources (Blue Rx)	PDP	SPBLUE2	Primarily 12 numeric digits; some have 13 alphanumeric digits ending in A or B	131,000	PA, WV
Highmark Freedom Blue/HHIC formally known as Mountain States	MA-PD	MSBCBSFB	Primarily 12 numeric digits; some have 13 alphanumeric digits ending in A or B	3,800	WV
ONECare by Care 1st	MA-PD	CARE1AZ	9-digit alphanumeric ending with M	1,500	AZ
PARTNERS Health Plan	MA-PD	NCPARTD	11-digit alphanumeric	TBD	NC
Preferred Care	MA-PD	PCARE01	9-digit alphanumeric starting with alpha	24,000	NY
State of Oklahoma	Employer PDP	OKLARX1	11-digit numeric	35,000	OK
UA Medicare Part D	PDP	PDP13697	10-digit alphanumeric	190,000	Nationwide except NY
WHA Care+	MA-PD	WHAMEDD	11-digit numeric	1,100	CA
Wisconsin Physicians Services	PDP	WPSPDP	9-digit numeric	55,000	WI



2007 Medicare Part D Enhanced Prescription Drug Plan (PDP) Sponsors

Announcement:	<p>Medco is continuing to support the Medicare Part D prescription drug benefit for our clients offering an enhanced PDP for their Medicare-eligible members.</p> <p>The enhanced PDP benefit is offered to the client's Medicare-eligible, retiree membership only. An enhanced PDP benefit provides richer coverage to members than a standard PDP offering. The benefits are provided on behalf of the employer or union sponsoring the coverage.</p> <p>Process claims for the Medicare eligibles of the clients listed below by using the billing information as provided below for successful claims processing.</p> <p>Pharmacy must submit claims to Medco through the <i>TelePAID</i>® System using:</p> <p>The Rx BIN # 610014 The PCN is MEDDPRIME The Rx Group number as listed below The member's ID number (format listed below)</p>
Note:	<p>Medco anticipates members will have their newly issued ID cards, but to assist members and pharmacy in the event that not every member has the new ID card, Medco is supplying members of the enhanced PDP Sponsors listed below with an "Exhibit 02, Acknowledge Receipt of Completed Enrollment Election" letter until their permanent ID card is sent.</p> <p>The "Exhibit 02, Acknowledge Receipt of Completed Enrollment Election" letter will contain the necessary billing information (member ID number, RxGroup number, RxBin, and PCN) for pharmacy to successfully process a claim to Medco through the <i>TelePAID</i> System. The <i>TelePAID</i> System response message will contain the appropriate member's co-payment responsibility. Please accept the letter until member presents with their permanent ID card.</p> <p>A sample copy of the letter is attached for your reference. The letter will be co-branded with Medco's logo and the client's logo and will include the Medco Member Services number specific for each client listed below.</p>
For claim adjudication or general questions:	Contact the Pharmacy Services Help Desk toll-free at 1 800 922-1557, or visit the Pharmacist Resource Center at www.medco.com/rph .

New

Enhanced PDP Sponsor List:	Rx Group #	ID number format	Estimated # of lives	Region
Chevron	CMD3896	12-digit alphanumeric	46,000	National
SISC	Billing information not available at this time			

Existing

Enhanced PDP Sponsor List:	Rx Group #	ID number format	Estimated # of lives	Region
Carpenters Trust of Western Washington (CTWW)	CTWW1901	12-digit alphanumeric	2,150	National, mostly West Coast
Commonwealth of Virginia (COVA)	CWLTHVA	12-digit alphanumeric	25,000	National, mostly VA
Dupont	RXDUPNT	12-digit alphanumeric	70,000	National
Public Employees Health Plan (PEHP)	PEHP000	12-digit alphanumeric	5,000	National, mostly Utah
Railroad Retirees	RRPDPRX	12-digit alphanumeric	40,000	National
Tennessee Valley Authority (TVA)	TVADRUG	12-digit alphanumeric	12,000	National, mostly TN
The Stanley Works	TSWPLAN	12-digit alphanumeric	500	National, mostly CT
Western Teamsters Welfare Trust (WTWT)	WWT1000	12-digit alphanumeric	4,000	National, mostly West Coast

(continued)

Sample of "Exhibit 02, Acknowledge Receipt of Completed Enrollment Election"

Medco Health Solutions, Inc.
P.O. Box 2016
Pinebrook, NJ 07058



ID No: xxxxxxxx
Issuer: 80840
RxGrp: xxxxxx
RxBin: 610014
RxPcn: MEDDPRIME

Dear Member

Thank you for enrolling in YOURx PLAN™ brought to you by Medco and Client. YOURx PLAN is a Prescription Drug Plan that is approved by Medicare. Your enrollment will be effective on January 1, 2007.

As of January 1, 2007, you should begin using YOURx PLAN network pharmacies to fill your prescriptions. This letter is proof of your YOURx PLAN coverage. You should show this letter at the pharmacy until you get your Member ID card from us.

The Centers for Medicare & Medicaid Services (CMS), the federal agency that runs the Medicare program, must approve all enrollments. On your behalf, <<client>> has provided your information to Medco. When CMS approves your enrollment into YOURx PLAN, we will send you a letter to confirm your enrollment in YOURx PLAN. You should not wait to get this confirmation letter before you begin using YOURx PLAN network pharmacies on January 1, 2007. If CMS rejects your enrollment, YOURx PLAN will bill you for any prescriptions you received through us.

If you have a Medigap (Medicare Supplement Insurance) policy that includes prescription drug coverage, you must contact your Medigap Issuer to let them know that you have joined a Medicare prescription drug plan. If you decide to keep your current Medigap supplement policy, your Medigap Issuer will remove the prescription drug coverage portion of your policy and adjust your premium. Under certain circumstances, you can also buy a different Medigap policy without prescription drug coverage sold by your Medigap Issuer. Your Medigap Issuer cannot charge you more, based on any past or present health problems. Call your Medigap Issuer for details.

Once you are enrolled in our plan, you can only disenroll (or enroll in a new plan) during certain times of the year. Unless you meet certain special exceptions, you can only disenroll from YOURx PLAN from November 15 through December 31 each year. If you have questions about how or when to disenroll from YOURx PLAN, please call our customer service department.

People with limited incomes may qualify for extra help to pay for their drug's costs (including help paying the YOURx PLAN premium and yearly deductible). For more information about this extra help, contact your local Social Security office or call Medicare at 1-800-MEDICARE (1-800-633-4227). TTY/TDD users should call 1-877-486-2048. If you have any questions, please contact customer service at <<number listed in letter>>, 24 hours a day, 7 days a week, except Thanksgiving and Christmas. TTY/TDD users should call <<number listed in letter>>.

Thank you.



2007 Medicare Part D Sponsors Offering Secondary Coverage for their Beneficiaries

Announcement:	<p>Medco is supporting the Medicare Part D prescription drug benefit for our clients offering a secondary wrap for their Medicare-eligible beneficiaries. The secondary wrap benefit is offered to the client's retiree, Medicare-eligible membership only. This cannot be offered to people outside the client's population.</p> <p>Effective January 1, 2007, process claims for clients listed below using the newly issued ID card containing the member's new identifier, Rx Group number, and the appropriate Rx BIN number and PCN combination, which are all fields needed for successful claims processing for the <u>secondary benefit</u>.</p> <p>For the clients listed below, Pharmacy must submit claims to Medco through the <i>TelePAID</i>® System using:</p> <ul style="list-style-type: none">• The Rx BIN # 610031• The PCN as listed below• The COB Segment or Copay Only feature as listed below <p>The list will be updated as additional clients elect to offer a secondary benefit for their Medicare-eligible retiree membership.</p>
For more information:	Contact the Pharmacy Services Help Desk toll-free at 1 800 922-1557, or visit the Pharmacist Resource Center at www.medco.com/rph .

NEW

Sponsors Offering Secondary Coverage via the Copay-Only Feature	BIN/PCN combination
Alyeska Pipeline (Premera)	610031/MEDDCOPAY
APWU	610031/MEDDCOPAY
BCBSM - Collins & Aikman	610031/MEDDCOPAY
Magnum Coal	610031/MEDDCOPAY

EXISTING

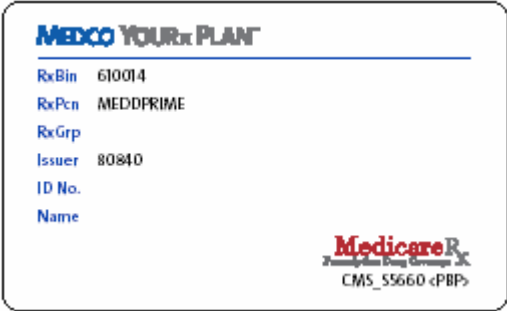
Sponsors Offering Secondary Coverage via the COB Segment	BIN / PCN combination
1199 National Benefit Fund	610031 / MEDDCOBSEG

EXISTING

Sponsors Offering Secondary Coverage via the Copay-Only Feature	BIN / PCN combination
1199	610031/MEDDCOPAY
Central States	610031/MEDDCOPAY
GEHA	610031/MEDDCOPAY
Jarden	610031/MEDDCOPAY
LSG Sky Chefs	610031/MEDDCOPAY
Lumenos	610031/MEDDCOPAY
Northwest Airlines	610031/MEDDCOPAY
School District of Janesville	610031/MEDDCOPAY
True Value Corp	610031/MEDDCOPAY
United Furniture Workers Insurance	610031/MEDDCOPAY
WSHIP	610031/MEDDCOPAY



2007 Medco's Medicare Part D YOURx PLAN™ Formulary Information

Announcement:	The formulary for YOURx PLAN, Medco's Medicare-approved prescription drug plan, is available on the YOURx PLAN website, www.yourxplan.com , and will soon be available on the Medco Pharmacist Resource Center website, www.medco.com/rph .
Action requested:	Visit www.yourxplan.com or www.medco.com/rph for information regarding YOURx PLAN drug coverage and formulary changes. Continue to visit us for formulary updates.
Sample Medco Medicare D ID:	<div></div>
Note:	Formulary updates, including ... <ul style="list-style-type: none">• Drug additions• Drug deletions• Preferred status changes• Tier changes ...will be viewable on www.medco.com/rph and www.yourxplan.com . Changes will be posted 60 days prior to the effective date.
For more formulary information:	Contact the Pharmacy Services Help Desk toll-free at 1 800 922-1557 or visit the Pharmacist Resource Center at www.medco.com/rph or visit www.yourxplan.com .



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December 2006

Fraud, Waste, and Abuse

Medco is committed to compliance with the Centers of Medicare and Medicaid Services (CMS) guidelines. CMS guidelines recommend that all entities that support Medicare Part D activities share this same commitment and be fully aware of the need to detect, correct, and prevent fraud, waste, and abuse (FWA). As part of this ongoing commitment to compliance, Medco has assembled information that may assist you with locating or developing a program that meets CMS' expectations.

CMS does not dictate how plans or network pharmacies go about implementing a satisfactory FWA program; CMS encourages all parties to host their own FWA training that meets CMS recommendations. Pharmacies should offer compliance training to all of their employees and staff who work with Medicare Part D. The training should focus on Medicare Part D rules, regulations, and FWA.

The following is a list of some topics CMS recommended for inclusion in training programs:

- ❖ Inappropriate Billing Practices
- ❖ Bait-and-Switch Pricing
- ❖ Prescription Altering
- ❖ Dispensing Expired or Adulterated Prescription Drugs
- ❖ Illegal Remuneration
- ❖ True Out-of-Pocket (TrOOP) Manipulation
- ❖ Incorrect or Misleading Notices to Enrollees
- ❖ U.S. Office of Inspector General (OIG) Exclusion List
- ❖ Compliance with Federal Statutes

For a complete description of the topics, please refer to the CMS Prescription Drug Benefit Manual (CMS Manual), Chapter 9 on FWA.

Reporting Fraud, Waste, and Abuse:

With its commitment to compliance in mind, effective immediately, Medco has a **Compliance and Ethics Line (1 800 303-9373)** which is a toll-free hotline available around the clock. The **Compliance and Ethics Line** is a mechanism to enable individuals, including pharmacies and other providers, to report confidentially any potential acts of fraud, waste, or abuse on an anonymous basis. Once reported, matters are investigated as appropriate and action is taken to address the reported events.

Additional Resources:

- ❖ CMS web site <http://www.cms.hhs.gov/Pharmacy/>
- ❖ National Association of Chain Drug Stores (NACDS) Foundation *Preventing Fraud, Waste and Abuse Training Program*. Additional information on this program may be found at www.nacdsfoundation.org/training.¹

Although Medco hopes this reminder is helpful, please note that this information is not intended as a substitute for the CMS guidelines, including the CMS Prescription Drug Benefit Manual Chapter 9 on Fraud, Waste and Abuse, and the advice of your legal counsel.

OT927912

¹ Launch date currently set for January 9, 2007