



CARE

Consolidated Associations of Railroad Employees

On Track!

Providing Health Care Benefits To Railroaders Since 1884

November 2009

Administrator's Report to the Board

Shelly Cumby, Administrator
October 27, 2009

FINANCIALS

Year to date through September 30, 2009, the financial for all plans combined reflects an excess of revenues over expenses of \$1,166,626.

Plan #1000 (active membership) produced an excess of revenues over expenses of \$7,363; Plan #3000 (supplemental membership/non-Medicare) produced an excess of revenues over expenses of \$67,728; Plan #4000 (supplemental to Medicare with Rx coverage) produced an excess of revenues over expenses of \$141,940; Plan #4100 (supplemental to Medicare with no Rx coverage) produced an excess of revenues over expenses of \$226,451; Plan #5000/#5500 (secondary plan to United Healthcare GA46000 and primary plan to exhausted GA46000) produced an excess of revenues over expenses of \$14,566; Plan #5100 (replacement plan for GA46000 coverage) produced an excess of expenses over revenues of \$21,742 and Plan #7000 (full membership/coverage for dependents) produced an excess of revenues over expenses of \$6,205.

The value of our investments year to date through September 30th has increased \$728,412. This is great news and as you can see, largely accounts for our overall excess of revenues over expenses year to date. Our portfolio remains at the Board approved allocation of 80% fixed and 20% equities.

2010 CREDITABLE COVERAGE ANALYSIS

Each year we retain the services of an independent actuary to review the **CARE** Plan #4000 Prescription Drug Benefit data to determine if the Prescription plan is creditable according to Medicare Part D standards.

For plan year 2010, the actuary determined that the **CARE** Plan #4000 Prescription benefit would need to be increased from \$3,000 per year to \$3,275. Therefore, the Board approved the annual maximum increase.

In addition, in an effort to trim costs for 2010, the Board also authorized a change in the Plan #4000 Prescription Drug Benefit copayment structure. We will incorporate a three-tier copayment structure by adding a third tier copayment of \$30.00 per 30 day fill for those of you that choose to receive non-preferred brand name medications.

The increased copayment is intended to encourage you to choose less costly drugs saving you and the Plan money thus keeping your dues rate affordable. Please read more about this benefit change in the **CARE** "2010 Benefit Changes" section of this newsletter.

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OPERATIONS

The current **CARE** employee count is 20 full-time employees and 1 part time employee. As far as building maintenance, there are no known large expenditures at this time.

CARE SUMMARY PLAN DESCRIPTIONS (SPD)

Prior to years end, we will be providing you new and updated 2010 **CARE** Summary Plan Descriptions (SPD) for both Medicare and non-Medicare membership. Due to the fact that we have made some benefit changes and we have updated some of our Medicare policies and procedures, we are obligated to distribute new SPD's to our membership. Please read over this important information and contact us should you have any questions concerning your benefits.

UPCOMING/ONGOING PROJECTS

We continue to update internal HIPAA and ERISA compliance processes so that we continue to operate the Association in an efficient and prudent manner according to specific government regulations. As mentioned earlier, we will be mailing new **CARE** Summary Plan Descriptions to you prior to year end so that you have up to date benefit information for the upcoming Plan year. And, finally we are in the process of implementing all end of year processes as we gear up for the coming new year.

I would like to conclude my report by saying how much the **CARE** staff and I appreciate your continued support and loyalty. I wish you all a very happy Holiday Season and a Blessed New Year!

Our People Make **CARE** Successful

Terry (TJ) Booth Celebrates 25 Years of Service with **CARE**



NO "CHANGE OF HEART" AS IT RELATES TO TERRY BOOTH

I quote from a letter written to the Association by the temp agency that introduced us to Terry Booth 25 years ago:

"If at any time you or our temporary (Terry) has a change of heart, you are not bound to make the hire nor is our temporary bound to take the job . . ."

It's been 25 years and I can certainly assure each of you that there has been no "change of heart" on the part of the Association as to our desire to employ Ms. Booth. Terry is and has been a valued Association employee for many years.

TJ began working for the hospital association in 1984. She began working for the Association as a file clerk and over the years worked in the Claims Processing Department, Provider Relations Department and now currently manages the Benefit/Customer Service/Provider Relations Department.

TJ is an excellent and loyal employee of **CARE** and goes out of her way to serve the membership in whatever way she can.

— Shelly Cumby, Administrator

I have worked with TJ since 1997 when I came to work for **CARE**. TJ is very dedicated to her job and works very hard for this association in maintaining vendors and network providers in your area. She is also very knowledgeable of **CARE** benefits. When she is not working, she is totally dedicated to her grandbabies. Congratulations on your 25 years of service.

— Kathy Hampton

It has been such a pleasure working with Terry — known to those of us who work with her as "TJ". She exemplifies the type of employee that should be recognized for her 25 years with **CARE** not only for years served but for all her accomplishments. TJ is a very dedicated and loyal employee. She is a manager and friend to those she manages. All of TJ's peers have a great deal of respect for her and the ideas that she brings to the table. I have had the privilege of working with TJ on a daily basis for the 25 years that she has been with this Association. I have watched her grow into one of the most productive managers at **CARE** and I am so proud to be able to say that I once was her manager. TJ, congratulations on this "mile" marker and I wish for you another 25 years. What a ride we have had on this old Association "train!"

— Virginia Jeffcoat

TJ has excelled at each and every position that she has held with the Association and we are pleased to have her on board for many more years to come. TJ is the proud mother of 4 children and the even prouder grandmother of 5 grandchildren. Congratulations on 25 years of service!

CARE 2010 Dues Rates

The **CARE** Board of Directors set the Active dues rate for 2010 at \$814.00 monthly at their meeting held Tuesday, October 27, 2009. The dues rate remains unchanged from last year. The new rate of employee contribution will be reflected on your January 2010 pay stub.

PLAN #1000 - FULL RATE MEMBERSHIP	MONTHLY	QUARTERLY
Active Employees.....	\$ 814.00	
Railway Portion.....	\$ 390.62	
Employee Portion.....	\$ 423.38	

ALL PLANS BELOW EFFECTIVE JANUARY 1, 2010

PLAN #1000 - FULL RATE MEMBERSHIP		
Employee - COBRA (18 or 29-month eligibility)	\$ 830.28	\$ 2490.84

PLAN #3000 - SUPPLEMENTAL TO AETNA, AETNA US HEALTHCARE, BCBS ILLINOIS, CIGNA, HIGHMARK BCBS, UNITED HEALTHCARE GA23000, UNITED HEALTHCARE GA107300 & UNITED HEALTHCARE GA23111-E		
Employee or One Dependent	\$ 60.00	\$ 180.00
Employee and One Dependent.....	\$ 120.00	\$ 360.00
Employee and Two or more Dependents.....	\$ 180.00	\$ 540.00

PLAN #4000 / SUPPLEMENTAL TO MEDICARE PARTS A & B W/PRESCRIPTION DRUG COVERAGE		
Retired Employee, Spouse, or Surviving Spouse	\$ 261.00	\$ 783.00

PLAN #4100 / SUPPLEMENTAL TO MEDICARE PARTS A & B ONLY – NO DRUG COVERAGE		
Retired Employee, Spouse, or Surviving Spouse	\$ 142.00	\$ 426.00

PLAN #5000 / SECONDARY TO UNITED HEALTHCARE GA46000		
Retired Employee or Spouse.....	\$ 208.00	\$ 624.00

PLAN #5500 / COVERAGE AFTER GA46000 BENEFITS EXHAUSTED / CARE PRIMARY		
Retired Employee or Spouse.....	\$ 472.00	\$ 1416.00

PLAN #5100 - REPLACEMENT PLAN FOR UNITED HEALTHCARE GA46000 DEPENDENTS		
Spouse or child of retired employee	\$ 471.00	\$ 1413.00

PLAN #7000 / FULL MEMBERSHIP		
Spouse and dependent children.....	\$ 715.00	\$ 2145.00

If your dues are currently being paid through bank draft, your deduction will automatically be deducted for the month of January 2010. If you pay dues direct to CARE, you should remit your dues on or before January 1, 2010.

New 2010 Health Care Plan Booklets for CARE Members

The Full Rate & Supplemental Membership Handbook and Health Care Prepayment Plan & Medicare Secondary Plan Benefit Guide are in the process of being printed and will be mailed out to the membership during the month of December 2009.

Attention *CARE* Plan #4000 Members

IMPORTANT INFORMATION REGARDING YOUR 2010 DRUG BENEFIT

The good news is that we did not raise your dues for plan year 2010. The better news is that with your help, we can save both you and the Plan money during 2010 if you will make some changes to how you currently purchase your prescription drugs. It gets even better! **Beginning January 1, 2010, you have the ability to receive most of your name brand medications through mail order with a \$0 copayment. Yes, that is correct! International mail order with 90 day supplies of your medications with a ZERO COPAYMENT.** Here is how you do it:

- ▶ Review the included eligible drug list to see if the medication(s) you are taking qualify for the international program. If so, contact EHO at 1-800-650-1817 and request an international mail order packet.
- ▶ Ask your physician to write new scripts for 90-day fills.
- ▶ Be sure you have enough medications to carry you over for a month.
- ▶ Once you receive the info packet, fill out the forms and submit them to the address or fax number on the initial order form.
- ▶ Wait approximately 3 weeks for your first fills through the international program
- ▶ Receive your 90-day scripts via U.S. mail at your residence
- ▶ Reorder at your convenience

FACT: Less than 3% of our members are taking advantage of substantial savings (approximately 60%) by using the international mail order option. For instance had our members used the mail order option instead of purchasing their expensive name brand drugs locally thus far in 2009, the Plan would have saved approximately \$300,000 and a few members would have not exhausted their \$3,000 annual benefit.

For those of you not currently accessing the international mail order option thus not benefitting from the huge cost savings, please see the example below of one *CARE* member who exhausted her pharmacy benefits for 2009 and opted to try the international mail order program for 2010 in order to save herself money and stretch her benefit further. Illustrated below are the medications that the *CARE* member takes and the cost savings she will achieve by switching to the mail order option:

Drug	Dosage	U.S. cost	Mail order cost	Savings
Zetia	10 mg	\$ 302.18	\$ 211.05	\$ 91.13
Lipitor	40 mg	\$ 357.03	\$ 192.94	\$ 164.09
Nexium	40 mg	\$ 481.75	\$ 197.41	\$ 284.34
Diovan	320 mg	\$ 174.84	\$ 107.82	\$ 67.02
Clarinox	5 mg	\$ 330.04	\$ 109.87	\$ 220.17

As you can see, it is obvious that you too can save yourself money, stretch your annual benefit further and save the *CARE* Plan (YOUR Plan) thousands of dollars which will offset rising healthcare and prescription drug costs for everyone.

HELP US HELP YOU SAVE \$\$\$ BY MAKING SOUND, PRUDENT CHOICES IN THE SELECTION OF YOUR MEDICATIONS!!!!

International Drug List (11/01/09)

- | | |
|----------------------------------|-----------------------------------|
| Accolate 20 Mg Tabs | Cosopt Eye Drops |
| Aceon 2 & 4 Mg Tabs | Coumadin Tabs (All Str.) |
| Aciphex 20 Mg Tabs | Covera-HS 180 Mg Tabs |
| Actonel 5, 30 & 35 Mg Tabs | Cozaar 25, 50 & 100 Mg Tabs |
| Actos 15, 30 & 45 Mg Tabs | Crestor 10, 20, & 40 Mg Tabs |
| Acular 0.5 % Opth. Sol. | Crixivan 400 Mg Caps |
| Advair 100, 250 & 500 Mcg Diskus | Cymbalta 20, 30 & 60 Mg Tabs |
| Aggrenox Caps SA | Detrol 2 Mg Tabs |
| Aldara 5% Cream | Detrol LA 2 & 4 Mg Caps |
| Alesse 21 & 28 Tabs | Didronel 200 Mg Tabs |
| Allegra-d 60 & 120 Mg Caps | Diovan HCT 80/12.5 & 160/12.5mg |
| Arimidex 1 Mg Tabs | Diovan HCT 160/25 |
| Arthrotec 75 Tabs EC | Diovan HCT 320/12.5 & 320/25 Mg |
| Asacol 400 Mg Tabs EC | Dipentum 250 Mg Caps |
| Astelin Nasal Spr. | Dovonex 0.005% Ointment |
| Atacand 8 & 16 Mg Tabs | Effexor XR 37.5, 75 & 150 Mg Caps |
| Atacand HCT 16-12.5 Mg Tab | Efudex 5% Cream |
| Atrovent Inhaler | Elmiron 100 Mg Caps |
| Atrovent 0.03% Nasal Spray | Enablex 7.5 & 15 Mg Tabs |
| Augmentin 250, 500 & 875 Mg Tab | Estraderm Patch .05 Mg |
| Avalide 150/12.5 & 300/12.5 Tabs | Evista 60 Mg Tabs |
| Avandia 4 & 8 Mg Tabs | Exelon Caps (All Str.) |
| Avandamet Tab (All Str.) | Flarex 0.1% Suspension |
| Avapro 150 & 300 Mg Tabs | Flomax 0.4 Mg Caps Sa |
| Avelox 400 Mg Tabs | Florinef 0.1 Mg Tabs |
| Avodart 5 Mg Caps | Flovent 50, 110 & 220 Mcg Aero. |
| Azopt 1% Eye Drops | Fosamax 70 Mg/75 Mls |
| Benicar 20 & 40 Mg Tabs | Fosamax Plus D |
| Benicar HCT 20-12.5 Mg Tabs | Hyzaar 50-12.5 & 100-25 Tabs |
| Betoptic S 0.25% Eye Drop | Inderal LA 60, 80, 120 & 160 Mg |
| Boniva 150 Mg Tabs | Januvia 50 & 100 Mg Tab |
| Casodex 50 Mg Tabs | Lescol 20 Mg & 40 Mg Caps |
| Celebrex 100 & 200 Mg Caps | Lescol XL 80 Mg Tabs |
| Clarinox Tabs | Lexapro 10 & 20 Mg Tabs |
| Combigan Sol. | Lipitor 10, 20, 40 & 80 Mg Tabs |
| Combivent Inhaler | Lovaza Cap 1 Gm |
| Combivir Tabs (150/320) | Lumigan .03% Eye Drops |
| Comtan 200 Mg Tabs | |
| Cortef 10 Mg Tabs | |

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International Drug List (11/01/09) Continued

Maxalt 5 & 10 Mg Tabs	Oruvail 200 Mg Sa Caps	Serevent 50 Mcg Diskus	Trileptal 150, 300 & 600 Mg Tabs
Maxalt-MLT 5 & 10 Mg Tabs	Patanol 0.1% Eye Drops	Seroquel 25, 100 & 200 Mg Tabs	Trusopt 2% Eye Drops
Micardis 40 & 80 Mg Tabs	Pentasa 250 & 500 Mg Sa	Singulair 5 Mg Tabs Chewable	Uniphyl 400 & 600 Mg SR Tabs
Micardis Plus 80/12.5 Mg Tabs	Permax .025 & .05 Mg Tabs	Singulair 10 Mg Tabs	Vagifem 25 Mcg Tabs
Nasacort AQ 55 Mcg Unit	Plavix 75 Mg Tabs	Soriatane 25 Mg Caps	Valtrex 500 Mg Tabs
Nasonex 50 MCG Nasal Spray	Prandin 0.5, 1, 2 & 5 Mg Tabs	Spiriva Cap Handihlr	Vexol 1% Eye Drops
Nasarel Nasal Spray	Precose 50 & 100 Mg Tabs	Sporanox 100 Mg Caps	Vytorin 10/10, 10/20, & 10/40 Mg
Nexium 20 & 40 Mg Caps	Premarin .3, .625, .9, 1.25 Tabs	Starlix 60 & 120 Mg Tabs	Xenical 120 Mg Cap
Nitrolingual 0.4 Mg Spray	Premarin Vaginal Cream/ap	Symbicort AER 160-4.5	Xyzal Tab 5mg
Norinyl 1+35	Prempro .625/2.5 &	Synthroid (All Str.)	Yasmin 28 - 3/0.03 Mg Tab
Ortho-Cept Tab 28	.625/5 Mg Tabs	Tarka Tab (All Str)	Zetia 10 Mg Tabs
Ortho-Novum 7/7/7-28	Pumicort Nebules	Tazorac Cream & Gel	Zomig 2.5 Mg Tabs
Ortho-Novum 1/35 - 21 Day Tabs	Pulmicort Sus 1mg/2ml	Tegretol 200 & 400 Mg XR Tabs	Zomig Nasal Spray
Ortho-Novum 1/35 - 28 Day Tabs	Pulmicort Inh 200 Mcg	Tequin 400 Mg Tabs	Zyprexa 2.5, 5, 7.5 & 10 Mg Tab
Ortho Tri-Cyclen 28 Day Tabs	Prevacid 15 & 30 Mg Sa	Travatan 0.004% Eye Drops	
Ortho Tri-Cyclen Lo 28 Day	Prevacid STB 15 & 30 Mg	Tricor 48 & 145 Mg Tabs	
Ortho-Evra Transdermal Pch	Serevent 21 Mcg Inhaler	Tricor 160 & 200 Mg Caps	

This is a listing of the drugs and drug strengths that are most commonly used by plan members. Information about relative costs of these and additional drugs will be available on the web site www.drugbenefit.com. (Drugs that are commonly available generically in the USA are not eligible for mail-order, as they are less costly in the USA retail network using your benefit card. As eligible brands become available as cost-effective generics in the USA, their "eligible" status may be discontinued.)

Although generally of common manufacture and being exact chemical equivalents, some International products may differ from a USA product in color, dosage form (tablet vs. capsule), or markings on the product. To help alleviate concerns, prescriptions may be shipped in their original manufacturer's container, and/or physical differences will be noted on the "patient information sheet" that will accompany your prescription order.

From order to order, prices may vary slightly due to changes in the currency exchange rates, ingredient price changes, or changes in postal rates.

Women's Health and Cancer Rights Act of 1998

In accordance with the requirement of this federal law passed October 21, 1998, the Consolidated Associations of Railroad Employees (**CARE**) is notifying you of the coverage required by this act. When the need for such benefits is determined by the patient and the patient's attending physician, the mandated benefits include the following:

- Reconstruction of the breast on which a mastectomy has been performed;
- Surgery and reconstruction of the other breast to produce a symmetrical appearance;
- Prostheses and treatments for physical complications of all stages of mastectomy, including lymphedemas (sometimes referred to as "swelling associated with the removal of lymph nodes").

Normal deductible, coinsurance, and/or copayment amounts applicable to your health coverage are also applicable to these benefits.

The Consolidated Associations of Railroad Employees (**CARE**) already provides benefits for mastectomy services and related reconstructive services, therefore, this law will have no effect on your coverage or premiums.

If you have any questions about the Plan's coverage of mastectomies and reconstructive surgery, please call the **CARE** office at 1-800-334-1330 and speak with a Customer Service Representative.



Senior Corner

2010 Medicare Deductibles

Medicare Part A Deductible - \$1100.00

Medicare Part B Deductible - \$155.00

As a reminder, **CARE** Plans #4000 and #4100 (both secondary to Medicare) pay your Medicare Part A & B deductibles.

New Employees

We would like to introduce you to the latest members of our **CARE** family.



SYLVIA ARAGON

Sylvia began working in the Benefits/Customer Service Department in March 2009.

Sylvia and her husband Ricky live in Killeen, Texas. They have 2 children and 4 grandchildren. Sylvia's hobbies include fishing, walking, and reading.



PATRICIA MCGLOTHLIN

Patricia joined the Claims Processing Department in June of this year.

Patricia is a native of Temple, Texas. She and her husband Joseph reside in Temple. Patricia enjoys going to church and helping and encouraging people.



CHRISTEN SPARKS

Christen recently joined the Claims Processing Department in September. Christen refers to herself as an "army brat" and enjoys mini vacations.

Christen is very passionate about Breast Cancer Research and walking for the cure.

Meetings Recently Attended by **CARE** Staff

Kathy Hampton, Special Projects Coordinator, had the pleasure of visiting numerous National Association of Retired Veterans & Railway Employees (NARVRE) units again this year.

Kathy traveled to different states and commented that the kindness and hospitality shown by the NARVRE members never ceases to amaze her. So a special "THANK YOU" goes out to those NARVRE members in Bakersfield, California; Rathdrum, Idaho; Galesburg, Illinois; Burlington, Iowa; St. Paul/Minneapolis/Proctor-Duluth Minnesota; Auburn, Washington and La Crosse, Wisconsin.

If your NARVRE unit would like a **CARE** representative to come and speak at your meeting please contact Kathy Hampton, Special Projects Coordinator at 1-800-334-1330, Extension 268.

Employees Celebrating Years of Service with **CARE**



Debbie McCoy
15 years
Administration



Drew McPherson
10 years
Information Technology



Hilary Miller
10 years
Claims Processing



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The next scheduled meeting of the CARE Board will be held on Tuesday, January 26, 2010.

**The CARE staff
would like to wish
you and your family
a safe and happy
holiday season!**

CARE Open Enrollment
CARE is currently having an Open Enrollment for the following plans:
Plan #3000, Plan #4000, Plan #4100, Plan #5000 and Plan #5100.
For enrollment information on these plans contact the
CARE office at 1-800-334-1330.

**Employer Health
Options (EHO)
HELP DESK HOURS**
Monday - Friday
7:00 AM - 9:00 PM (CST)
Saturday
9:00 AM - 5:00 PM (CST)
(800) 650-1817
or (254) 773-3728

**CARE 2009-2010
Holiday Schedule**
CARE office closed
December 11, 2009 from
2:30 p.m. to 4:30 p.m. (CST)
for employee Christmas party.
CARE office closed
December 24 and
December 25, 2009.
CARE office closed
January 1, 2010.

CARE Members
**For Questions You May Have,
contact the CARE office
at 1-800-334-1330**
**Benefits/Customer Service/
Member Services:**
Terry Booth, Kara Barnes,
Linda Chambers,
and Berenice Roberts
Provider Relations:
Terry Booth
Business Development:
Virginia Jeffcoat
Special Projects Coordinator:
Kathy Hampton
Medicare Compliance Officer:
Harvey Smith
General Information:
Lee Thigpen

The "On Track" newsletter is published by the Consolidated Associations of Railroad Employees. If you would like to submit articles or announcements concerning Health & Welfare for publication in future editions, you may contact Berenice Roberts at BereniceR@CARE.vvm.com. Inclusion of articles will be subject to space available and appropriateness as judged by **CARE** Administration.