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Your prescription drug FAQs answered

In January, Express Scripts Medicare (PDP) and Express Scripts became the administrators for the HealthSelectSM Medicare Rx and HealthSelectSM Prescription Drug Program, respectively. Overall, the new contract offers lower drug prices for the majority of our members. However, a new administrator could mean some people have to find a new pharmacy, pay more or less for a medication, or see other changes in how they get their prescription drugs. We've gathered some of the most frequently asked questions (FAQs) from members since the transition.

Pharmacies

Q: How do I find an in-network pharmacy?

You can find pharmacies near you with the Express Scripts[®] mobile app, by calling Express Scripts or via the **"Find a Pharmacy"** tool on the prescription drug plan's website (no login needed).

Q: I take a medication that comes from a specialty pharmacy. How does this work?

Many specialty medications are available at Extended Day Supply (EDS) retail pharmacies. You can use the **"Price a Medication"** tool to show the cost of your medication as well as pharmacies nearby that have your medication. Express Script's specialty pharmacy is called Accredo. If you would like more information about Accredo, please contact Express Scripts.

Drug costs

Q: How do I find out if my medication is covered?

You can check a medication's price using the **"Price a Medication"** tool, checking the drug list on the plan's website or by calling Express Scripts.

Q: Why has the cost of my medication changed?

There are four possible reasons the cost of your medication changed after Dec. 31:

Express Scripts has different contracts with drug manufacturers and pharmacies than the previous administrator. Express Scripts negotiates prices with drug manufacturers and dispensing fees with pharmacies. In all plans except Consumer Directed HealthSelectSM, these contracts, along with clinical factors, help determine which of the three copay tiers a drug goes in.

- The tier 1 copay, for generic drugs, is \$10.
- The tier 2 copay, for preferred brand drugs, is \$35.
- The tier 3 copay, for non-preferred brand drugs, is \$60.

Since the transition, some medications might have moved to a higher or lower tier and/or might have different dispensing fees.

In Consumer Directed HealthSelect, you pay the full negotiated cost of a drug until you meet the combined prescription drug and medical deductible. After the deductible, you pay coinsurance, that is, a percentage of the negotiated cost. So, if Express Scripts is paying a different price and dispensing fee for a drug than the previous administrator paid, you will pay a different price, too.

It's important to note that the administrator regularly negotiates with drug manufacturers and pharmacies, so your out-of-pocket costs could change even when there's not a change in administrators.



Message from the executive director



The ERS difference

ERS exists to offer competitive benefits to enhance the lives of our members. That's our stated mission and the reason more than 400 ERS employees and contractors put in 40 hours (or more) of dedicated work each week.

But what does it mean to offer “competitive benefits”? Well, we try to provide benefits that are as good as or better than those offered by other employers, including those in the private sector. With our retiree health insurance, we're more than meeting that standard, as relatively few employers even offer health insurance to their retirees. Even fewer offer the level of coverage ERS does, with the employer (the State of Texas) paying most of the costs.

Maintaining competitive benefits

The state pays a portion of the monthly health insurance premium for most retirees and 100% for many, depending on how long they worked. And the plan design, which sets participants' out-of-pocket costs like copays and coinsurance, hasn't changed for more than a decade.

Based on funding available from the state, ERS designs the health plans, not only deciding on how much you pay when you go to the doctor or hospital. We also work with our plan administrators, like Blue Cross Blue Shield, United Healthcare and Express Scripts, to decide if and how we should cover certain procedures and medications. We design the health plans so they provide a high standard of coverage at a good value for the state and members. We also work to keep administrative costs low, so your and the state's contributions pay for health expenses, not overhead.

These three factors—the state's contributions, stable plan design and effective cost management—ensure that the health plans remain competitive.

High-quality, customized coverage

The competitiveness of our plans isn't based on cost alone. The coverage and benefits are equal to or better than other plans in the same price range. Last fall, as we were conducting Fall Enrollment events and the national Medicare enrollment period was underway, we heard from some members that there were no-cost Medicare Advantage plans on the Medicare marketplace with similar health coverage to ours, plus amenities like dental and vision care. Plans like these can sound great and, for some retirees, they might be an alternative to our plans. But it's important to look carefully at other plans' design and networks.

Some of these plans are able to offer so many amenities at no cost because they severely limit their provider networks. In ERS' HealthSelectSM Medicare Advantage Plan, you can go to any doctor or facility that takes Medicare and is willing to see you. Also, our Medicare health coverage comes with Part D prescription drug coverage at no additional cost to the participant. Part D coverage is a valuable benefit that many other Medicare plans offer only for an additional premium. In addition, some other Medicare Advantage plans might have very strict prior authorizations and other requirements for certain treatments. Our plans require authorizations for some treatments, but we work with the plan administrators so they don't cause significant delays in treatment, create undue burdens or otherwise deny needed care to our participants.

We customize all of our health plans so they best meet the needs of our membership. Does that mean every participant is going to get whatever procedure or medication they want on demand? Of course not—no health insurance plan can provide that. But our plans meet our members' needs in ways that are hard to match.

Contracting with third-party administrators

An important factor in ERS' ability to offer high-quality coverage at relatively low costs is contracting with external companies to administer (and in some cases, insure) our plans. Through these contracts, ERS takes advantage of the companies' existing negotiated agreements with providers and their claims processing systems. And we build on those for our members to achieve even larger provider networks and timelier claims.

By regularly rebidding our administrator contracts, we ensure that our plans remain competitive and cost effective. We understand that changing plan administrators, such as the recent move to Express Scripts for prescription drug coverage, is inconvenient. These transitions mean a lot of work for ERS, too. But they result in savings that help us maintain the plan overall. If we didn't rebid our administrator contracts regularly, we would have to increase plan costs, reduce benefits or both much more frequently. Not to mention, state law requires us to go out to bid every several years.

Everyone at ERS understands how important health insurance is to retirees, and we work to make sure the insurance not only meets your needs, but also is sustainable so the state can continue to offer it and it can continue to enhance your lives.


Porter Wilson

Annuity payment dates

ERS deposits or mails your annuity payment on the last business day of the month.

Go to the ERS website and search “**Manage Your Annuity Payments**” for instructions on changing your tax withholding, personal information and more.

If you are a retiree from another system, such as the Teacher Retirement System (TRS), the Texas County District Retirement System (TCDRS) or the Texas Municipal Retirement System (TMRS), contact that system for annuity payment dates.

Annuity Dates

- March 29, 2024
- April 30, 2024
- May 31, 2024



Each year deductibles start over on Jan. 1. In HealthSelect of Texas, HealthSelect Secondary, HealthSelect Out-of-State and HealthSelect Medicare Advantage, there's a \$50 per person prescription drug deductible. In Consumer Directed HealthSelect, there's a combined prescription and medical deductible. You pay the full negotiated cost of your drugs until you meet the deductible. After that, you pay a copay or, for Consumer Directed HealthSelect, coinsurance. For those in Medicare, when you've paid a certain amount for prescription drugs, you enter the Medicare Part D "donut hole" and start paying either the plan copay or 25% of the negotiated cost of the drug. Because out-of-pocket costs reset on Jan. 1, you would leave the donut hole Jan. 1 and won't re-enter it until you have incurred enough out-of-pocket expenses.

You used a pharmacy that isn't in Express Scripts' network. In all plans, costs are higher if you use an out-of-network pharmacy. Find an in-network pharmacy on the plan's website or Express Scripts app, or by calling the plan.

Drug prices go up and down, just like the price of gas or a carton of eggs. Drug shortages, manufacturing costs and high demand can cause drug costs to spike or drop. You can check a medication's price before filling a prescription by using the "Price a Medication" tool, checking the drug list on your plan's website or by calling Express Scripts.

Q: If I need to get prior authorization for a medication, how do I start the process?

Contact Express Scripts or learn more about the prior authorization process by logging in to your Express Scripts account online, clicking the "Prescriptions" drop-down menu and clicking "Prior authorizations."

Q: Are COVID-19 at-home tests covered?

No. You are responsible for the full cost of at-home over-the-counter COVID-19 antigen tests and test kits. Last May, the U.S. Department of Health and Human Services ended the COVID-19 national public health emergency which ended coverage of tests and test kits by the federal government. Insurers are also no longer required to offer coverage at no-cost.

ID Cards

Q: I don't know where my ID card is. What do I do?

You can access a digital copy of your card in the mobile app or by logging in to your account on the Express Scripts website. You also can call Express Scripts member services. If you never got a card from Express Scripts, you should call them as soon as possible.

Q: I'm a dependent on my spouse's insurance. Why haven't I received my own card?

Express Scripts' welcome packet included two cards per household. Dependents can use those even if they have the primary member's name on them. If you are in a different plan than your spouse, you'll get a welcome kit for your plan. (For example: Your Medicare-enrolled spouse is in HealthSelect Medicare Rx, and you're in the HealthSelect Prescription Drug Plan because you're not yet eligible for Medicare.) Make sure you use the correct card for the correct plan when visiting a pharmacy. You can also access a digital copy of your card by logging in to your account online or through the mobile app. Or you can ask for additional cards by calling Express Scripts.

Weight loss drugs

Q: Are any weight loss drugs covered?

No. ERS' prescription drug plans currently do not cover drugs prescribed for the treatment of obesity/weight loss. Some medications used for the treatment of type 2 diabetes result in weight loss. These medications, such as Ozempic, are subject to prior authorization. They are covered only after confirmation of type 2 diabetes diagnosis.

Prescription Drug reminders

Non-Medicare members

Grace period ends for drugs not in formulary on March 31

On Jan. 1, Express Scripts allowed non-Medicare members access to drugs not in the Express Scripts formulary until March 31. If you are taking a drug not in the Express Scripts' formulary, this grace period will end. Beginning April 1, you will have to get an alternative medication, receive a prior authorization to stay on your current medication, or pay out of pocket for the drug.

All members

Prior authorizations and step therapy medications

If you were taking a drug that required prior authorization or step therapy under the previous administrator, is in the Express Scripts' formulary and requires prior authorization or step therapy under Express Scripts, you will have to go through a new prior authorization or step therapy once the prior authorization or step therapy expires. You also might pay a different price, depending on what formulary tier the drug is in.

Please contact Express Scripts if you have questions.

Have more questions?

If you have specific questions about your coverage, please contact Express Scripts depending on your prescription drug plan.

HealthSelect Prescription Drug Program (non-Medicare)

Call Express Scripts toll-free at **(800) 935-7189** (TTY: 711) 24 hours a day, seven days a week or visit **HealthSelectRx.com**.

HealthSelect Medicare Rx (enrolled in Medicare)

Call Express Scripts Medicare (PDP) toll-free at **(866) 264-4676** (TTY: 711) 24 hours a day seven days a week or visit **HSMedicareRx.com**.

Tax season can be scam season for retirees

Your tax return may add some extra spending cash to your budget, but the popular expression rings true: more money can bring more problems. You may get unwanted attention from scammers.

“During tax season, scammers increase their efforts to steal money, Social Security numbers, and identities from older adults. They use scare tactics to get a quick and emotional response in hopes of making you cooperate, instead of taking your time

to evaluate the situation and spot the scam,” said Patricia Hord, grant, education and communication specialist for the Office of Consumer Credit Commissioner.

To avoid fraudsters this tax season and beyond, watch out for key warning signs, Hord said. Scammers pretend to be from organizations you recognize. They may say there is a problem with your tax refund. They may pressure you to act immediately, and ask you to make a payment in an unconventional way.

Hord talked to ERS about why retirees are targets and shared the best ways to avoid getting scammed.

Why are older adults like retirees often at risk?

- **Financial stability.** Older adults have been in the workforce longer and may have large amounts of money in savings, retirement or investment accounts, which make them more attractive to scammers.
- **Easy Access.** Age, failing health or limited mobility require some retirees to depend on others for help with shopping, paying bills or other important activities. This gives caregivers access to credit cards, account numbers and other personal financial information, which they can use to create fake accounts, make unauthorized withdrawals and commit other types of fraud. Older adults may not report the fraud for fear of losing the caretaker’s services, to avoid the risk of retaliation or out of loyalty to a family member.
- **Isolation.** Retirees without a support system are at greater risk of being scammed. Sometimes, talking to a trusted friend or family member about a questionable investment opportunity or a pushy, new Facebook friend can keep a person from being duped.

What is the best way to avoid scams this tax season?

- **Verify** if the letter, email or phone call you received is coming from the stated source. If you receive a notice from the IRS, contact them directly, but be sure not to use any of the contact information in the letter or email you received.
- **Beware** of phishing and smishing scams. These occur when scammers send you an email or text message posing as the IRS or your tax preparer, and request personal information so they can complete your tax return. They may ask for your child’s Social Security number or your bank account number. Don’t fall for it. Instead of hitting “reply,” contact the source directly through a verified number, email address or website.
- **Establish** an online account through **IRS.gov** to make and view payments, access your tax records and more. Watch out for anyone asking you for payments in non-traditional ways. If a letter from the IRS states you have special permission to make a payment via gift card if you do it within 72 hours; it is a SCAM!

To report tax-related scams, contact the IRS one of the ways outlined on this page. For all other scams, contact the Federal Trade Commission at **reportfraud.ftc.gov**.



Spot the scammer

According to the IRS website, scammers can impersonate IRS agents in a variety of ways. Here are some ways to know if that IRS call, email, text or knock on the door is legitimate.

On the phone

The IRS will never:

- demand immediate payment by debit card, gift card or wire transfer;
- threaten to arrest you for not submitting a payment;
- demand payment without the chance to ask questions or appeal the amount owed; or
- call unexpectedly about a tax refund.

If you receive a scam call, record the number and hang up. Report the call to the Treasury Inspector General for Tax Administration using their reporting form or calling **(800) 366-4484**.

By mail

Mail scams can be hard to spot. Scam letters might use the IRS logo or refer to unclaimed refunds. If you’re responding to a letter you think is from the IRS, do not send personal information, which can be used by identity thieves. You can authenticate any IRS mail by contacting IRS customer service at **irs.gov/help/let-us-help-you**.

In person

If the IRS requires an in-person visit, the taxpayer will receive a 725-B Letter to schedule a meeting. Verify it by contacting IRS customer service at **irs.gov/help/let-us-help-you** or call them directly at **(800) 829-1040**.

Electronically

The IRS will never contact a taxpayer by email, text or social media. You can report all unsolicited email claiming to be from the IRS or an IRS-related function to **phishing@irs.gov**.



ERS Board appoints new advisory committee members

The ERS Board of Trustees appointed three new members to the Group Benefits Advisory Committee (GBAC). The new appointees replace members whose terms expired Dec. 31. The new members are serving three-year terms that will end in December 2025.

What is the GBAC?

The GBAC advises the ERS Board of Trustees to plan and develop employee benefits for the Texas Employees Group Benefits Program (GBP). The GBAC is made up of ERS participants, benefits experts and professionals. Up to 11 members may serve at a time. The committee's goal is for state benefits to be valuable to participants and employers and to remain competitive at a reasonable cost. ERS staff seek applications for membership and recommend possible appointees to the Board. The GBAC meets at least twice each year and gives reports and feedback to Board members. You can see the presentation of their most recent annual report to the Board at <https://agendasuite.org/iip/erstexas/file/getfile/4137>.

New committee members are:

Mid-sized agency representative

- **Joe Freeman**, human resources director for the Office of Court Administration

Health-related institution (academic, administrator or practitioner) representative

- **Ronald L. Cook**, chief health officer for Texas Tech University Health Sciences Center

Retiree representative

- **Jan Graeber**, a retiree

Graeber replaces retiree representative James Dobbins, whose term expired Dec. 31. Retiree Gary White remains on the Committee; his term expires Dec. 31, 2024.

Read more about the GBAC and see the complete list of members at ers.texas.gov/about-ers/ers-board-of-trustees/group-benefits-advisory-committee.



RSV vaccine now covered at 100% for Consumer Directed HealthSelect participants

As of Jan. 1, Consumer Directed HealthSelectSM participants 60 and older can use their prescription drug plan to cover the RSV vaccine at 100% when visiting an in-network provider. Read more about coverage of the RSV vaccine at ers.texas.gov/news/rsv-vaccine-is-now-available-for-adults-60-years-and-older-en. RSV (respiratory syncytial virus) can lead to serious complications in older adults and people with compromised immune systems.

The image shows a sample Form 1099-R for the year 2023. The form is titled "VOID" and "CORRECTED". It includes fields for PAYER'S name, street address, city or town, state or province, country, ZIP or foreign postal code, and telephone no. The form also includes fields for RECIPIENT'S name, street address, city or town, state or province, country, and ZIP or foreign postal code. The form is divided into several sections, including "1 Gross distribution", "2a Taxable amount", "2b Taxable amount not determined", "3 Capital gain", "4 Federal income tax withheld", "5 Employee contributions/Designated Roth contributions or insurance premiums", "6 Net unrealized appreciation in employer's securities", "7 Distribution code(s)", "8 Other", "9a Your percentage of total distribution", "9b Total employee contributions", "10 Amount allocable to IRR within 5 years", "11 1st year of desig. Roth contrib.", "12 FATCA filing requirement", "13 Date of payment", "14 State tax withheld", "15 State/Payer's state no.", "16 State distribution", "17 Local tax withheld", "18 Name of locality", and "19 Local distribution". The form is dated 2023 and includes the OMB No. 1545-0119 and Form 1099-R. The form is also labeled "Copy 1 For State, City, or Local Tax Department".

Have you received Form 1099-R?

You should have received Form 1099-R in the mail. If you haven't, you can view it through your ERS OnLine account. To view or print your form in ERS OnLine, ers.texas.gov/my-account-login, look for "My Payroll Information" on the Retiree homepage, and click "1099-R Summary." You can also call (866) 399-6908, (TTY: 711) to ask for another copy to be mailed to you.

What is Form 1099-R?

Form 1099-R shows distributions (gross earnings) from your annuity and the taxes that were withheld. You can find additional information on ERS' Form 1099-R FAQs webpage (<https://ers.texas.gov/contact-ers/additional-resources/faqs/getting-your-form-1099-r>).

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Springtime savings

Discounts are blooming at Beneplace. Take advantage of these spring discounts and enjoy your own Spring Break!

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- Get 15% off Do-It-Yourself online tax filing when you file your taxes with H&R Block.
- Save 20% on flowers and gifts at **1-800-Flowers.com** now for fresh flowers, gourmet gift baskets, chocolates, spa baskets and more.

Visit www.beneplace.com/discountprogramERS for these and other offers.



ERS Events

Wed., March 20
ERS Board of Trustees
meeting

Thur., April 25 at 2 p.m. CT
Medicare Preparation
webinar

Wed., May 22
ERS Board of Trustees
meeting

Thurs., May 23 at noon. CT
Medicare Preparation
webinar