

**Summary of Coverage for  
Prescription Program  
VZW Retiree Access Benefit Plan**

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# Introduction to your prescription coverage

This Summary of Coverage (SOC) document describes the benefits available to you under the Medco prescription program. It is part of your summary plan description (SPD), which provides additional Verizon medical plan information, including that required by the Employee Retirement Income Security Act of 1974 (ERISA).

This program is self-funded by Verizon Wireless. The retail and mail-order prescription benefit is administered by Medco. Medco works with Accredo Health Group to dispense specialty medications by mail, and with Accredo and Liberty Medical to dispense Medicare Part B prescriptions by mail.

The benefits described in this SOC are effective as of January 1, 2009.

## Accessing your benefits information

Your medical benefits are described in the following documents:

- This **SOC**.
- The **medical SPD**.
- The **SOC for your medical option**.

If you are an active employee, you can access the VZW Retiree Access Benefit Plan SPD's and SOC's on About You.

If you are within 30-days of retirement, you will be notified by the Verizon Wireless Benefits Center that you will have information pertaining to the VZW Retiree Access Benefit Plan including the SPD's and SOC's posted on YBR.

Free Copies of the VZW Retiree Access Benefit plan SPD's and SOC's are available by calling the Verizon Wireless Benefits Center at 877-372-8355.

**If you are already enrolled in the VZW Retiree Access Benefit Plan and would like to obtain an online copy of the SPD's and SOC's, you will need to access them through the Verizon Communications Your Benefits Resources website at [www.Verizon.com/benefits](http://www.Verizon.com/benefits).**

## Participating providers

You can request a list of participating pharmacies, free of charge, by:

- Accessing Medco's Web site.
- Accessing Your Benefits Resources Web site.
- Calling Medco directly.

## Prescription program contacts

Option	Contact	Reasons to access
<b>Prescription drugs/supplies</b>		
For retail	<p>Medco  <a href="http://www.medco.com">www.medco.com</a>            1-877-877-1878 (inside U.S.)            1-972-915-6695 (outside U.S.)</p> <p>Mailing address if you use a non-participating pharmacy:            Medco            P.O. Box 14711            Lexington, KY 40512</p>	<ul style="list-style-type: none"> <li>• Locate a participating pharmacy near you.</li> <li>• Talk to a pharmacist.</li> </ul>
For mail order	<p>Medco  <a href="http://www.medco.com">www.medco.com</a>            1-877-877-1878</p> <p>Medco            P.O. Box 650322            Dallas, TX 75265-0322</p>	<ul style="list-style-type: none"> <li>• Fill or refill a prescription.</li> <li>• Request an order envelope to fill a prescription by mail.</li> <li>• Check on the status of pending orders.</li> </ul>
For specialty mail order	<p>Accredo            1-877-877-1878</p>	<ul style="list-style-type: none"> <li>• Ask questions about specialty prescriptions. (Orders are assigned to Accredo after being placed with Medco.)</li> </ul>
For Medicare Part B mail order	<p>Liberty Medical            Toll-free number provided by Liberty Medical when order is placed.</p>	<ul style="list-style-type: none"> <li>• Ask questions about Medicare Part B prescriptions. (Orders are assigned to Liberty Medical after being placed with Medco.)</li> </ul>

### Other sources for information

<p>Verizon Wireless Benefit Center</p>	<p>Via phone 877-372-8355, Representatives are available from 9 a.m. to 5 p.m., Eastern time, Monday through Friday</p>	<ul style="list-style-type: none"> <li>• Initiate request for information on benefit</li> <li>• Verify overall eligibility and coverage.</li> <li>• Obtain a copy of the Retiree Access Benefit Plan SPD</li> </ul>
<p>Verizon Benefits Center</p>	<p>Via the Internet <a href="http://www.Verizon.com/benefits">www,Verizon.com/benefits</a> Or call 877-4VzBens  Representatives are available from 8 a.m. to 6 p.m., Eastern time, Monday through Friday</p>	<ul style="list-style-type: none"> <li>• Enroll on YBR</li> <li>• Review personal benefits information.</li> <li>• Make changes to your coverage due to a qualified change in status.</li> <li>• Update dependent information.</li> <li>• Hotlink to medical options provider sites (online only).</li> <li>• Create and print personalized provider listings and maps to a physician's office (online only).</li> <li>• Verify eligibility for COBRA coverage.</li> <li>• Enroll for COBRA coverage.</li> <li>• Notify Verizon of a COBRA qualifying event.</li> <li>• Update COBRA coverage due to a subsequent COBRA qualifying event.</li> </ul>

## How to enroll and receive confirmation of eligibility

If you are eligible for retirement from Verizon Wireless within 30 days based upon your age and service date you will receive a (YAN), Your Action Needed link posted on Your Benefits Resources. Verizon Wireless Retirees who are eligible to enroll in the in the VZW Retiree Access Benefit Plan and want to do so, will be instructed to click on the “Yes” I am interested box located on Your Benefit Resources, (YBR).

If you click “Yes” I am interested box located on YBR, you will receive a confirmation email from the Verizon Wireless Benefits Center acknowledging your interest in the VZW Retiree Access Benefit Plan. You will also receive an enrollment letter by mail with instructions on how to enroll online at [www.verizon.com/benefits](http://www.verizon.com/benefits).

Verizon Wireless retirees will not be automatically enrolled in the Verizon Wireless Retiree Access Benefit Plan. If you are interested in participating in the plan you are required to enroll. If you are a enrolling online at [www.verizon.com/benefits](http://www.verizon.com/benefits), you will be prompted as a first time new user to set up your account. You have 31 days to enroll in the Verizon Wireless Retiree Access Benefit Plan from the date listed on your enrollment letter. Requests made to join the VZW Retiree Access Benefit Plan after the eligibility date will be denied.

You will automatically receive Prescription benefits under The Verizon Wireless Retiree Access Benefit Plan once you enroll in a medical option. The Verizon Wireless Retiree Access Benefit Plan is administered by Verizon Wireless, and your eligibility information is maintained at the Verizon Wireless Benefits Center.

Should you have questions at any time on whether or not you are eligible to qualify for the VZW Retiree Access Benefit Program you may call the Verizon Wireless Benefits Center at 877-372-8355, and a representative will verify your eligibility.

Once you are actively enrolled in the plan, all correspondence including the enrollment process is managed by the Verizon Communications benefits center at 877-489-2367, If you are still actively employed by Verizon Wireless, you may request enrollment information about the VZW Retiree Access Benefit Plan on About You.

# How the prescription program works

Your prescription coverage includes:

- A retail prescription benefit.
- A mail-order benefit.

## ***Retail prescription benefit***

You can get up to a 30-day supply of medication at a retail pharmacy. It is your decision to use either a participating or non-participating pharmacy each time you need short-term medications.

## **Using a participating pharmacy**

When you use a participating pharmacy, you pay:

- An annual \$25 per person prescription deductible.
- A percentage of Verizon's discounted price, as follows:
  - 20% for generic medications; the maximum you usually pay is \$40.
  - 30% for brand medications on the preferred list; the maximum you usually pay is \$60.
  - 40% for brand medications not on the preferred list; the maximum you usually pay is \$80.
  - 50% if you fill the same maintenance prescription at retail pharmacies more than three times; maximums do not apply in this case.

If you choose a brand when a generic equivalent is available, you also pay the full cost difference between the brand and generic.

If your doctor prescribes more than a 30-day supply, the maximums do not apply and you are responsible for the cost of the additional supply.

You pay your share of the bill at the pharmacy, so you do not need to file a claim form.

## Using a retail non-participating pharmacy

When you use a non-participating pharmacy, you pay:

- An annual \$75 per person prescription deductible.
- A percentage of the retail price, plus 100% of the cost difference between the retail price and the network discount:
  - 30% for generic medications.
  - 40% for brand medications on the preferred list.
  - 50% for brand medications not on the preferred list.
  - 50% if you fill the same maintenance prescription at retail pharmacies more than three times.

If you choose a brand when a generic equivalent is available, you also pay the full cost difference between the brand and generic.

You pay the full bill at the pharmacy and file a claim for reimbursement.

### An example

Here is an example of how benefits are paid depending on whether a prescription is filled at a participating or non-participating pharmacy.

	Retail non-participating pharmacy	Retail participating pharmacy
Prescription cost	\$100 (retail price)	\$89 (Verizon discounted rate)
Covered charge	N/A	\$89
Annual deductible	- 75	- 25
Subtotal	\$25	\$64
Program pays (assumes generic drug)	\$17.50 (70% × \$25)	\$51.20 (80% × \$64)
You pay	\$82.50 (\$100 – \$17.50)	\$37.80 (\$25 + \$64 – \$51.20)



## ***Mail-order benefit***

You can obtain up to a 90-day supply of medication delivered to your home by mail. When you do, you pay:

- 20% per generic, to a maximum of \$80.
- 30%, per brand on the preferred list; the maximum you usually pay is \$120.
- 40%, per brand not on the preferred list; the maximum you usually pay is \$160.

If you choose a brand when a generic equivalent is available, you also pay the full cost difference between the brand and generic.

There is no deductible for mail-order prescriptions filled through Medco, Accredo or Liberty Medical. You have to meet the Medicare deductible on any Medicare Part B medications that you order. Medco does not manage or track Medicare deductibles.

## **Initial orders**

There are three ways to order a prescription by mail:

- Access Medco's Web site and follow the instructions to order a new prescription. Your prescription will be filled by Medco, Accredo or Liberty Medical, as appropriate. (See the "Prescription program contacts" section for contact information.)
- Send your original prescription and your payment to Medco using an order envelope.
- Have your doctor call 1-888-EASYRX1 (1-888-327-9791) for instructions on faxing the prescription.

Your prescription will be sent to your home by United States Postal Service mail or UPS within 14 days of the date that you mailed the prescription to Medco.

## **Refills**

There are three ways to order refills:

- Access Medco's Web site and follow the instructions for refilling prescriptions. (See the "Prescription program contacts" section for contact information.)
- Call Medco at 1-877-877-1878 (inside U.S.) or 1-972-915-6695 (outside U.S.).
- Mail your payment to Medco using an order envelope.

# What is covered

The prescription program covers the following items. If you have questions about covered charges, you should contact Medco. See the “Prescription program contacts” section for contact information.

- Medications that require a prescription and that are medically necessary.

Medically necessary means appropriate with regard to general medical standards and effective in prevention, diagnosis or treatment according to accepted clinical evidence, as determined by the claims administrator.

- Biologicals, immunization agents and vaccines.
- Allergy sera, at a retail pharmacy.
- Diabetes therapy.
  - Insulin needles and syringes.
  - Diabetic kits (insulin, apparatus and supplies), available through Medco. You pay a single payment when the order is placed as one prescription on the same day with insulin or other oral agents. If you request the medication and supplies be refilled, but part of the request is made too soon, then the prescriptions will not be dispensed together.
  - Over-the-counter insulin and diabetic supplies ordered separately (not as a kit). If you are Medicare-eligible, diabetic supplies are covered by Medicare, not by the prescription program.
- Medications with special considerations. Some medications in the following treatment categories have limitations or considerations for age, gender or supply amounts.
  - Premenstrual conditions.
  - Asthma.
  - Erectile dysfunction.
  - Acne.
  - Flu prevention and treatment.
  - Irritable bowel syndrome.
  - Contraceptives.
  - Cancer.

## ***Special purchase requirements for certain medications***

Special requirements apply for the purchase of certain medications. For example:

- Before dispensing medications with the potential of fatal drug interaction with other drugs, the prescription program will alert the pharmacist who will determine if the doctor should be contacted.
- After clinical reviews are performed, patients who potentially may be overusing highly addictive narcotics may be limited to purchasing their medications at one participating retail pharmacy of their choice and through mail order.

## ***Preferred medication list***

The prescription program uses a listing of preferred medications developed by Medco and a team of independent physicians and clinical pharmacists from many specialty areas. It is a carefully selected list of high-quality, commonly prescribed and cost-effective prescription medications. Many drug choices are available.

Ask your doctor to prescribe the “preferred” medications so you can help lower costs for yourself and for Verizon. For information about preferred medications, visit Medco’s Web site or call Medco (see the “Prescription program contacts” section for contact information).

## ***Generic medications***

Generic prescription drugs have the same chemical makeup, but usually cost less, than brand-name drugs. In fact, using a generic can save you hundreds of dollars each year. If you take medication – or are being prescribed a drug for the first time – be sure to ask your doctor if the medication is available as a generic.

If your doctor prescribes a brand-name medication and there is a generic equivalent or comparable medication on the preferred list, a participating or mail-service pharmacist may contact your doctor to discuss whether the alternate medication would be appropriate for your situation, since you pay the cost difference if you choose a brand-name prescription when a generic equivalent is available. However, you and your doctor make the final decision about your medication.

## ***Select generic medications***

Normally, generics and their brand-name counterparts have the same effect on a patient. However, some patients may have a different reaction to the following generic drugs, as compared to the brand-name medication:

- Clozaril (generic name: Clozapine), used for schizophrenia and psychotic disorders.
- Neoral, Sandimmune (generic name: Cyclosporine), used for kidney, liver and heart transplants.

If you are using one of these generic drugs, there is no reason to change to the brand name. If you need to start taking one of these drugs, you and your doctor should consider the generic first. These generics are approved by the FDA and considered safe. Adverse reactions to these drugs are rare. The primary concern is a change in effectiveness if you move from one to the other.

Both the brand and generic for these medications are on the preferred list and the lower amount that you pay for preferred medications applies. You will not be required to pay the difference between the cost of the brand-name medication and the generic if you use Clozaril, Neoral or Sandimmune.

## ***Compound medications***

Compound medications are custom made by a pharmacy according to a doctor's prescription. Often, these medications are made up of several ingredients, each with its own, unique identification number, called a National Drug Code (NDC).

Special rules apply for submitting claims for compound medications. See the "Filing claims" section for more information.

## ***Medications that require a coverage review***

Certain medications must undergo a coverage review before they are covered under the prescription program.

If you have a prescription that needs this review, the pharmacist will coordinate with the prescribing doctor. If you have a question about whether a medication will require a coverage review, call Medco. For faster approval or if you or your doctor has a question, you or your doctor can contact the Medco coverage review unit (see the "Prescription program contacts" section for contact information). Usually, approval takes two business days.

Generally, medications are selected for coverage review before dispensing if:

- The medication is often associated with complications.
- The medication has a high potential for adverse reactions.
- More information is needed to determine whether the drug meets the program's coverage criteria.
- The medication is needed to treat complex conditions.
- The medication is effective only for some individuals or with other therapies.
- The medication is costly and often misused.

Examples of drugs subject to a coverage review include those in the categories listed below. The list changes from time to time as new drugs are approved, new clinical guidelines for appropriate use are developed or problems are identified.

- Acne therapy.
- Alzheimer's therapy.
- Appetite suppressants and other weight loss medications.
- Erectile dysfunction medications.
- Erythroid stimulants (correct anemia in patients with dialysis, HIV, etc.).

- Hepatitis C.
- Human growth hormones.
- Interferons (treat immune disorders and infections).
- Miscellaneous dermatologicals.
- Myeloid stimulants (fight infection and treat low white-blood cell counts).
- Pain management.
- Platelet proliferation stimulants.
- Rheumatoid arthritis agents.
- Smoking cessation treatment.

### ***Quantity dispensing limits***

Some medications are limited to specific quantities, such as the number of pills or total dosage. The quantity is based on guidelines approved by the U.S. Food and Drug Administration and published by the manufacturer, as well as accepted medical practice. If your medication is prescribed for quantities or doses outside these guidelines, a coverage review may be required to determine whether the medication meets the program's coverage criteria.

When a review is complete, Medco will notify you and your doctor of the decision. If coverage is approved, the letter will inform you of the length of time of your coverage approval. If the medication is not covered under the program, the letter will include the reason for the denial and how to submit an appeal if you choose.

Examples of categories of prescription drugs that have limits include the following:

- Antiemetics.
- Anti-influenza agents.
- Erectile dysfunction agents.
- Sleep medications.
- Migraine medications.
- Pain management.
- Rheumatoid arthritis agents.

## **Accredo – The Medco Specialty Pharmacy**

Some conditions, such as anemia, hepatitis C, multiple sclerosis, asthma, cystic fibrosis, hemophilia, growth hormone deficiency and rheumatoid arthritis, are treated with specialty medications. Specialty medications are those that usually are injected and require refrigeration, special handling and timely delivery. Examples include *Avonex*<sup>®</sup>, *Enbrel*<sup>®</sup>, *Forteo*<sup>®</sup>, *Humira*<sup>®</sup> and *Procrit*<sup>®</sup>.

If you use specialty medications, Accredo:

- Delivers your medications to you.
- Provides answers from a pharmacist, 24 hours a day, seven days a week, to your questions about the medications.
- Coordinates home health care and other healthcare services.
- Provides access to nurses who are trained in specialty medications.

For a complete list of specialty medications, visit the Medco Web site or call Accredo. See the “Prescription program contacts” section for contact information.

### **Coverage for specialty medications**

If you take specialty medications on a long-term basis (three months or more), you will pay 50% of the medication’s total cost at a participating retail pharmacy after the third time you purchase it. You can avoid these higher costs by ordering specialty medications through Accredo.

### **Medicare Part B medications and supplies**

Certain prescriptions are eligible for coverage by both Medicare Part B and your Verizon prescription benefit.

#### **Retail prescription coverage**

You need to show your Medicare ID card when you use a retail pharmacy. If your prescription is eligible for Medicare Part B coverage, after you meet the Medicare Part B deductible, the retail pharmacy will bill Medicare and submit any costs not paid by Medicare to Medco for coverage under your Verizon prescription benefit. You will not need to take any additional action other than show your Medicare ID card. **Your out-of-pocket cost will not be any more than it would have been under the current process.**

#### **Mail-order prescription coverage**

You will continue to order your initial prescriptions in the same way you do today. If your prescription is eligible for Medicare Part B coverage, after you meet the Medicare Part B deductible, Medco will transfer your prescription request to Liberty Medical or Accredo, two mail-order pharmacies that specialize in Medicare Part B. Liberty Medical or Accredo will provide you with instructions on how to order refills if you need them. **Your out-of-pocket cost will not be any more than it is today.**

# What is not covered

The prescription program does **not** cover:

- Medications not approved by the U.S. Food and Drug Administration (FDA).
- Medications that states restrict for sale or distribution.
- Medications that are not medically necessary or that do not treat an accidental injury, illness or pregnancy, except those identified under “What is covered.”
- Over-the-counter medications (except for insulin and diabetic supplies), including smoking-cessation products.
- Appetite suppressants and other weight loss drugs, unless for treating morbid obesity and taken in conjunction with a patient support program.
- Smoking deterrents that require a prescription and are not taken in conjunction with a patient support program and nicotine replacement products that exceed these limits:
  - More than a three-month supply of prescription Nicotine Transdermal, Nicotine Nasal Spray, Nicotine Inhalation System and Bupropion Sustained-release Tablet (Zyban) in a 12-month period.
  - More than a six-month supply of Chantix in a 24-month period.
- Therapeutic devices, bandages, heat lamps, braces or artificial appliances. However, the program may cover insulin needles and syringes, over-the-counter diabetic supplies (unless covered by Medicare), and diaphragms and IUDs that require a prescription.
- Health and beauty aids and medications for cosmetic purposes, such as Renova, Retin-A or Solage for age spots or as a wrinkle cream, and Propecia or Rogaine for hair loss.
- Charges for the administration or injection of any drug.
- Dietary supplements.
- Medications for experimental use.
- Medication covered by Workers’ Compensation laws or similar government programs, or for which no charge is made.
- Charges covered by Medicare, including both Medicare Part A and Part B – regardless of whether or not you have enrolled in or received Medicare Part A and Part B benefits.

- Blood or blood plasma.<sup>1</sup>
- Medication you receive in a hospital or outpatient surgical center.<sup>1, 2</sup>
- Medication you receive while you are a patient in a skilled nursing facility or similar institution when medications provided by those institutions are covered by a medical plan, including Medicare.<sup>1, 2</sup>
- Prescriptions refilled in excess of the number of times the doctor specified or any refill dispensed after one year from the doctor's original order.
- Mifeprex, for termination of intrauterine pregnancy.

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<sup>1</sup>May be covered under the Verizon retiree medical plan. Claims should be submitted to the appropriate claims administrator.

<sup>2</sup>Medications administered while you are an inpatient at a hospital, skilled nursing care facility or similar facility generally are covered under your medical option – not the prescription program. However, prescriptions filled at a pharmacy associated with a personal care facility, such as a nursing home, are covered under the prescription program. Benefits are based on whether the retail pharmacy is a participating or non-participating pharmacy.



## Filing claims

If you use a participating retail pharmacy or mail order, you do not have to file claims. You need to show your ID card when you use a participating retail pharmacy.

If you use a non-participating retail pharmacy, you need to submit claims to Medco.

If your claim is denied, you have a right to appeal. See the “Filing claims” section in “Your Retiree Medical Coverage” summary plan description (SPD) for information on filing an appeal. See the “Accessing your benefits information” section for information on how to access this document.

### Claims for compound medications

There are two ways to submit claims for compound medications:

- Take the prescription to a participating retail pharmacy, and ask the pharmacist to submit the claim directly to Medco so that you only need to make your copayment at the time of service. If you use mail order, no claims need to be submitted. Please note, however, that mail-order pharmacies can fill only certain prescriptions for compound medications. Contact Medco to determine which medications can be filled. See the “Prescription program contacts” section for contact information.
- If you paid the entire cost of your compound medication, you will need to submit a claim form to Medco to receive reimbursement.

You must send in your pharmacy receipt, as well as a list of all the ingredients in the medication and each ingredient’s National Drug Code (NDC), which your pharmacist can provide. (See the claim form for details.)

If you submit a claim, you will be responsible for any cost differences between what the pharmacy charges and what the program allows for reimbursement.

If your claim is denied, you have a right to appeal.

## Terms to know

### ***Annual deductible***

The deductible is the amount you pay before you can take advantage of the prescription program's discounts and services for retail medications. The prescription program's annual deductible is separate from the annual deductible if you participate in a Verizon-sponsored medical option.

**Prescription expenses covered under the prescription program do not count toward your medical option deductible or annual out-of-pocket maximum.**

### ***Copayment***

A percentage of the negotiated discounted cost of a prescription up to the maximum permitted by coverage tier that you pay directly to the provider at the time of service.

### ***Experimental procedures***

Experimental procedures include medical, surgical, diagnostic, psychiatric, substance abuse or other healthcare technologies, supplies, treatments, procedures, drug therapies or devices that are:

- Not approved by the U.S. Food and Drug Administration (FDA) to be lawfully marketed for the proposed use and not identified in the American Hospital Formulary Service, the U.S. Pharmacopeia Dispensing Information or the American Medical Association Drug Evaluations as appropriate for the proposed use.
- Subject to review and approval by any institutional review board for the proposed use.
- The subject of an ongoing clinical trial that meets the definition of a Phase 1, 2 or 3 clinical trial set forth in the FDA regulations, regardless of whether the trial actually is subject to FDA oversight; or not demonstrated through prevailing peer-reviewed medical literature to be either safe and effective for treating or diagnosing the condition or illness for which their use is proposed, or safe with promising efficacy for treating a life threatening or severely debilitating illness or condition in a clinically controlled research setting using a specific research protocol that meets standards equivalent to those defined by the National Institutes for Health.

### ***Illness***

An illness is a bodily disorder or disease, including a mental health disorder or substance abuse.

### ***Injury***

An injury is an accidental physical injury to the body caused by unexpected external means.

### ***Order envelopes***

Call Medco (see the "Prescription program contacts" section for contact information) if you need an order envelope. A new order envelope will be included with your medication.