Blue Shield Medicare (PPO) offered by California Physicians' Service (dba Blue Shield of California)

Annual Notice of Change for 2026

You're enrolled as a member of Blue Shield Medicare.

This material describes changes to our plan's costs and benefits next year.

- **You have during your former Plan Sponsor's Open Enrollment to make changes to your Medicare coverage for next year.** If you don't join by the end of your former Plan Sponsor's open enrollment period, you'll stay in Blue Shield Medicare.

- To change to a **different plan**, visit www.Medicare.gov or review the list in the back of your *Medicare & You 2026* handbook.

- Note this is only a summary of changes. More information about costs, benefits, and rules is in the *Evidence of Coverage*. Get a copy at **blueshieldca.com/sfhss-retirees** or call Customer Service at (800) 370-8852 [TTY: 711] to get a copy by mail.

More Resources

- Call Customer Service at (800) 370-8852 [TTY: 711]. Hours are 8 a.m. to 8 p.m. PT, seven days a week. This call is free.
- This information may be available in a different format, including Braille, large print, audio cd, and data cd. Please call Customer Service at the number listed above if you need plan information in another format.

About Blue Shield Medicare

- Blue Shield of California is a PPO plan with a Medicare contract. Enrollment in Blue Shield of California depends on contract renewal.
- Blue Shield of California's pharmacy network includes limited lower-cost, pharmacies with preferred cost sharing in certain counties within California. The lower costs advertised in our plan materials for these pharmacies may not be available at the pharmacy you use. For up-to-date information about our network pharmacies, including whether there are any lower-cost pharmacies with preferred cost sharing in your area, please call Customer Service at (800) 370-8852 (TTY: 711), 8 a.m. to 8 p.m. PT, seven days a week, or consult the online pharmacy directory at **blueshieldca.com/sfhss-retirees**.

- When this document says “we,” “us,” or “our,” it means California Physicians’ Service (dba Blue Shield of California). When it says “plan” or “our plan,” it means Blue Shield Medicare.
- **If you do nothing by the end of your Plan Sponsor’s open enrollment period, you’ll automatically be enrolled in Blue Shield Medicare.** Starting January 1, 2026, you’ll get your medical and drug coverage through Blue Shield Medicare. Go to Section 3 for more information about how to change plans and deadlines for making a change.

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Summary of Important Costs for 2026

	2025 (this year)	2026 (next year)
Monthly plan premium* * Your premium can be higher or lower than this amount. Go to Section 1.1 for details.	If you are responsible for any contribution to the monthly plan premium and your contributions are changing for 2026, your Plan Sponsor will tell you the amount and where to send payment.	
Maximum out-of-pocket amount This is the most you'll pay out of pocket for covered Part A and Part B services. (Go to Section 1.2 for details.)	From network and out-of-network providers combined: $3,750	**From network and out-of-network providers combined: $3,750**
Primary care office visits	$5 copayment per visit	**$5 copayment per visit**
Specialist office visits	$15 copayment per visit	**$15 copayment per visit**
Inpatient hospital stays Includes inpatient acute, inpatient rehabilitation, long-term care hospitals, and other types of inpatient hospital services. Inpatient hospital care starts the day you're formally admitted to the hospital with a doctor's order. The day before you're discharged is your last inpatient day.	For each Medicare-covered stay in a network hospital you pay: $150 copayment per admission	**For each Medicare-covered stay in a network hospital you pay: $150 copayment per admission**
Part D drug coverage deductible (Go to Section 1.7 for details.)	$0	**$0**

	2025 (this year)	2026 (next year)
Part D drug coverage (Go to Section 1.7 for details, including Yearly Deductible, Initial Coverage, and Catastrophic Coverage Stages.)	Copayment during the Initial Coverage Stage: Drug Tier 1: $5 Drug Tier 2: $20 You pay $20 per month supply of each covered insulin product on this tier. Drug Tier 3: $45 You pay $35 per month supply of each covered insulin product on this tier. Drug Tier 4: $20 Catastrophic Coverage: During this payment stage, the plan pays the full cost for your covered Part D drugs. You may have cost sharing for drugs that are covered under our enhanced benefit.	**Copayment during the Initial Coverage Stage:** **Drug Tier 1: $5** **Drug Tier 2: $20** **You pay $20 per month supply of each covered insulin product on this tier.** **Drug Tier 3: $45** **You pay $35 per month supply of each covered insulin product on this tier.** **Drug Tier 4: $20** **Catastrophic Coverage:** **During this payment stage, the plan pays the full cost for your covered Part D drugs.** **You may have cost sharing for drugs that are covered under our enhanced benefit.**

SECTION 1 Changes to Benefits & Costs for Next Year

Section 1.1 Changes to the Monthly Plan Premium

	2025 (this year)	2026 (next year)
Monthly plan premium (You must also continue to pay your Medicare Part B premium.)	If you are responsible for any contribution to the monthly plan premium and your contributions are changing for 2026, your Plan Sponsor will tell you the amount and where to send payment.	

Factors that could change your Part D Premium Amount

- Late Enrollment Penalty - Your monthly plan premium will be *more* if you're required to pay a lifetime Part D late enrollment penalty for going without other drug coverage that's at least as good as Medicare drug coverage (also referred to as creditable coverage) for 63 days or more.
- Higher Income Surcharge - If you have a higher income, you may have to pay an additional amount each month directly to the government for Medicare drug coverage.
- Extra Help - Your monthly plan premium will be *less* if you get Extra Help with your drug costs. Go to Section 4 for more information about Extra Help from Medicare.

Section 1.2 Changes to Your Maximum Out-of-Pocket Amount

Medicare requires all health plans to limit how much you pay out of pocket for the year. This limit is called the maximum out-of-pocket amount. Once you've paid this amount, you generally pay nothing for covered Part A and Part B services for the rest of the calendar year.

	2025 (this year)	2026 (next year)
Combined maximum out-of-pocket amount Your costs for covered medical services (such as copayments) from in-network and out-of-network providers **count** toward your combined maximum out-of-pocket amount. Your plan premium and costs for outpatient prescription drugs **don't count** toward your maximum out-of-pocket amount for medical services.	$3,750	**$3,750** **Once you have paid $3,750 out of pocket for covered Part A and Part B services, you will pay nothing for your covered Part A and Part B services from network or out-of-network providers for the rest of the calendar year.**

Section 1.3 Changes to the Provider Network

Our network of providers has changed for next year. Review the 2026 *Provider Directory* **blueshieldca.com/medicare/providerdirectory** to see if your providers (primary care provider, specialists, hospitals, etc.) are in our network. Here's how to get an updated *Provider Directory*:

- Visit our website at **blueshieldca.com/sfhss-retirees**.
- Call Customer Service at (800) 370-8852 (TTY users call 711) to get current provider information or to ask us to mail you a *Provider Directory*.

We can make changes to the hospitals, doctors, and specialists (providers) that are part of our plan during the year. If a mid-year change in our providers affects you, call Customer Service at (800) 370-8852 (TTY users call 711) for help.

Section 1.4 Changes to the Pharmacy Network

Amounts you pay for your prescription drugs can depend on which pharmacy you use. Medicare drug plans have a network of pharmacies. In most cases, your prescriptions are covered *only* if they are filled at one of our network pharmacies. Our network includes pharmacies with preferred cost sharing, which may offer you lower cost sharing than the standard cost sharing offered by other network pharmacies for some drugs.

Our network of pharmacies has changed for next year. Review the 2026 *Pharmacy Directory* **blueshieldca.com/sfhss** to see which pharmacies are in our network. Here's how to get an updated *Pharmacy Directory*:

- Visit our website at **blueshieldca.com/sfhss**.
- Call Customer Service at (800) 370-8852 (TTY users call 711) to get current pharmacy information or to ask us to mail you a *Pharmacy Directory*.

We can make changes to the pharmacies that are part of our plan during the year. If a mid-year change in our pharmacies affects you, call Customer Service at (800) 370-8852 (TTY users call 711) for help.

Section 1.5 Changes to Benefits & Costs for Medical Services

	2025 (this year)	**2026 (next year)**
Additional telehealth services	Out-of-network: $0 copayment per visit	**Out-of-network:** **Additional telehealth services are not covered.**

	2025 (this year)	2026 (next year)
Health and wellness education programs		
NurseHelp 24/7	Out-of-network: $0 copayment per visit	**Out-of-network:** **NurseHelp 24/7 services are not covered.**
LifeReferrals 24/7	Out-of-network: $0 copayment per visit	**Out-of-network:** **LifeReferrals 24/7 services are not covered.**
SilverSneakers Fitness	Out-of-network: $0 copayment per visit	**Out-of-network:** **SilverSneakers Fitness services are not covered.**
Personal Emergency Response System (PERS)	Out-of-network: $0 copayment per visit	**Out-of-network:** **Personal emergency response system services are not covered.**
Home meal delivery	In- and Out-of-Network: Meals and snacks will be divided into up to three separate deliveries as needed. Out-of-Network: $0 copayment	**In-Network:** **Meals and snacks will be divided into up to two separate deliveries as needed.** **Out-of-Network:** **Home meal delivery services are not available.**

	2025 (this year)	2026 (next year)
Transportation services (non-Medicare covered)	In- and Out-of-Network: $0 copayment for each one way trip to plan-approved health-related locations (limited to 24 one-way trips per year).	**In- and Out-of-Network:** $0 copayment for each one way trip to plan-approved health-related locations (limited to 24 one way trips per year and each trip may not exceed 70 miles).

Section 1.6 Changes to Part D Drug Coverage

Changes to Our Drug List

Our list of covered drugs is called a formulary or Drug List. A copy of our Drug List is provided electronically.

We made changes to our Drug List, which could include removing or adding drugs, changing the restrictions that apply to our coverage for certain drugs, or moving them to a different cost-sharing tier. **Review the Drug List to make sure your drugs will be covered next year and to see if there will be any restrictions, or if your drug has been moved to a different cost-sharing tier.**

Most of the changes in the Drug List are new for the beginning of each year. However, we might make other changes that are allowed by Medicare rules that will affect you during the calendar year. We update our online Drug List at least monthly to provide the most up-to-date list of drugs. If we make a change that will affect your access to a drug you're taking, we'll send you a notice about the change.

If you're affected by a change in drug coverage at the beginning of the year or during the year, review Chapter 9 of your *Evidence of Coverage* and talk to your prescriber to find out your options, such as asking for a temporary supply, applying for an exception, and/or working to find a new drug. Call Customer Service at (800) 370-8852 (TTY users call 711) for more information.

Section 1.7 Changes to Prescription Drug Benefits & Costs

Do you get Extra Help to pay for your drug coverage costs?

If you're in a program that helps pay for your drugs (Extra Help), **the information about costs for Part D drugs may not apply to you**. We sent you a separate material, called the *Evidence of Coverage Rider for People Who Get Extra Help Paying for Prescription Drugs*, which tells about your drug costs. If you get Extra Help and you don't get this material by September 30, 2025, call Customer Service at (800) 370-8852 (TTY users call 711) and ask for the *LIS Rider*.

Drug Payment Stages

There are **3 drug payment stages:** the Yearly Deductible Stage, the Initial Coverage Stage, and the Catastrophic Coverage Stage. The Coverage Gap Stage and the Coverage Gap Discount Program no longer exist in the Part D benefit.

- ***Stage 1: Yearly Deductible***

  We have no deductible, so this payment stage doesn't apply to you.

- ***Stage 2: Initial Coverage***

  In this stage, our plan pays its share of the cost of your drugs, and you pay your share of the cost. You generally stay in this stage until your year-to-date Out-of-Pocket costs reach $2,100.

- ***Stage 3: Catastrophic Coverage***

  This is the third and final drug payment stage. In this stage, you pay nothing for your covered Part D drugs. You generally stay in this stage for the rest of the calendar year.

The Coverage Gap Discount Program has been replaced by the Manufacturer Discount Program. Under the Manufacturer Discount Program, drug manufacturers pay a portion of our plan's full cost for covered Part D brand name drugs and biologics during the Initial Coverage Stage and the Catastrophic Coverage Stage. Discounts paid by manufacturers under the Manufacturer Discount Program don't count toward out-of-pocket costs.

Drug Costs in Stage 1: Yearly Deductible

The table shows your cost per prescription during this stage

	2025 (this year)	2026 (next year)
Yearly Deductible	Because we have no deductible, this payment stage doesn't apply to you.	**Because we have no deductible, this payment stage doesn't apply to you.**

Drug Costs in Stage 2: Initial Coverage

The table shows your cost per prescription for a one-month (30-day) supply filled at a network pharmacy with standard and preferred cost sharing.

We changed the tier for some of the drugs on our Drug List. To see if your drugs will be in a different tier, look them up on the Drug List. Most adult Part D vaccines are covered at no cost to you. For more information about the costs of vaccines, or information about the costs for a long-term supply; or for home delivery prescriptions, go to Chapter 6 of your *Evidence of Coverage*.

Once you've paid $2,100 out of pocket for covered Part D drugs, you'll move to the next stage (the Catastrophic Coverage Stage).

	2025 (this year)	2026 (next year)
Tier 1 Generic Drugs:	*Standard cost sharing:* You pay $5 *Preferred cost sharing:* You pay $5	***Standard cost sharing:*** **You pay $5** ***Preferred cost sharing:*** **You pay $5**

	2025 (this year)	2026 (next year)
Tier 2 Preferred Brand Drugs:	*Standard cost sharing:* You pay $20 *Preferred cost sharing:* You pay $20 You pay $20 per month supply of each covered insulin product on this tier.	***Standard cost sharing:*** **You pay $20** ***Preferred cost sharing:*** **You pay $20** **You pay $20 per month supply of each covered insulin product on this tier.**
Tier 3 Non-Preferred Drugs:	*Standard cost sharing:* You pay $45 *Preferred cost sharing:* You pay $45 You pay $35 per month supply of each covered insulin product on this tier.	***Standard cost sharing:*** **You pay $45** ***Preferred cost sharing:*** **You pay $45** **You pay $35 per month supply of each covered insulin product on this tier.**
Tier 4 Specialty Tier Drugs:	*Standard cost sharing:* You pay $20 *Preferred cost sharing:* You pay $20	***Standard cost sharing:*** **You pay $20** ***Preferred cost sharing:*** **You pay $20**

Changes to the Catastrophic Coverage Stage

If you reach the Catastrophic Coverage Stage, you pay nothing for your covered Part D drugs. You may have cost sharing for excluded drugs that are covered under our enhanced benefit.

For specific information about your costs in the Catastrophic Coverage Stage, go to Chapter 6, Section 6 in your *Evidence of Coverage*.

SECTION 2 Administrative Changes

	2025 (this year)	2026 (next year)
Additional telehealth services: Change to vendor name and URL	Teledoc blueshieldca.com/Teladoc	**Teledoc Health** **blueshieldca.com/teladochealth**
Medicare Prescription Payment Plan	The Medicare Prescription Payment Plan is a payment option that began this year and can help you manage your out-of-pocket costs for drugs covered by our plan by spreading them across the calendar year (January-December). You may be participating in this payment option.	**If you're participating in the Medicare Prescription Payment Plan and stay in the same Part D plan, your participation will be automatically renewed for 2026.** **To learn more about this payment option, call us at (833) 696-2087 (TTY users call 711) or visit www.Medicare.gov.**
Personal Emergency Response System	Members can order Personal Emergency Response System equipment by phone at 1-855-672-3269 (TTY: 711) Monday through Friday, 5 a.m. to 6 p.m. PST and Saturday, 6 a.m. to 6 p.m. PST	**Members can order Personal Emergency Response System equipment by phone at 1-855-672-3269 (TTY: 711) Monday through Friday, 5 a.m. to 6 p.m. PST and Saturday, 6 a.m. to 6 p.m. PST or go online at lifestation.com/bscamedicare**

SECTION 3 How to Change Plans

To stay in Blue Shield Medicare, you don't need to do anything. If you do not sign up for a different plan or change to Original Medicare during your Plan Sponsor's open enrollment period, you will automatically stay enrolled as a member of our plan for 2026. You may want to contact your Plan Sponsor to verify whether you are required to complete any paperwork for your Plan Sponsor.

If you want to change plans for 2026, follow these steps:

- **To change to a different Medicare health plan**, enroll in the new plan. You'll be automatically disenrolled from Blue Shield Medicare.

- Contact your Plan Sponsor to find out what other plan options might be available to you. If you decide to leave Blue Shield Medicare, you can change your coverage during your former Plan Sponsor's Open Enrollment Period.

- **To change to Original Medicare with Medicare drug coverage,** enroll in the new Medicare drug plan. You'll be automatically disenrolled from Blue Shield Medicare.

- **To change to Original Medicare without a drug plan,** you can send us a written request to disenroll. Call Customer Service at (800) 370-8852 (TTY users call 711) for more information on how to do this. Or call **Medicare** at 1-800-MEDICARE (1-800-633-4227) and ask to be disenrolled. TTY users can call 1-877-486-2048. If you don't enroll in a Medicare drug plan, you may pay a Part D late enrollment penalty (Go to Section 1.1).

- **To learn more about Original Medicare and the different types of Medicare plans**, visit www.Medicare.gov, check the *Medicare & You 2026* handbook, call your State Health Insurance Assistance Program (go to Section 5), or call 1-800-MEDICARE (1-800-633-4227). As a reminder, California Physicians' Service (dba Blue Shield of California) offers other Medicare health plans. These other plans can have different coverage, monthly plan premiums, and cost-sharing amounts.

Please speak to your Plan Sponsor before making a change, as doing so may cause you to lose coverage through your Plan Sponsor.

Section 3.1 Deadlines for Changing Plans

If you want to change to a different plan for next year, you can do it during your **Plan Sponsor's open enrollment period**. The change will take effect on January 1, 2026.

If you enrolled in a Medicare Advantage plan for January 1, 2026, and don't like your plan choice, you can switch to another Medicare health plan (with or without Medicare drug coverage) or switch to Original Medicare (with or without separate Medicare drug coverage) between January 1 – March 31, 2026.

Please speak to your Plan Sponsor before making a change, as doing so may cause you to lose coverage through your Plan Sponsor.

Section 3.2 Are there other times of the year to make a change?

In certain situations, people can have other chances to change their coverage during the year. Examples include people who:

- Have Medicaid
- Get Extra Help paying for their drugs
- Have or are leaving employer coverage
- Move out of our plan's service area

If you recently moved into or currently live in, an institution (like a skilled nursing facility or long-term care hospital), you can change your Medicare coverage **at any time**. You can change to any other Medicare health plan (with or without Medicare drug coverage) or switch to Original Medicare (with or without separate Medicare drug coverage) at any time. If you recently moved out of an institution, you have an opportunity to switch plans or switch to Original Medicare for 2 full months after the month you move out.

Please speak to your Plan Sponsor before making a change, as doing so may cause you to lose coverage through your former Plan Sponsor.

SECTION 4 Get Help Paying for Prescription Drugs

You can qualify for help paying for prescription drugs. Different kinds of help are available:

- **Extra Help from Medicare.** People with limited incomes may qualify for Extra Help to pay for their prescription drug costs. If you qualify, Medicare could pay up to 75% or more of your drug costs including monthly drug plan premiums, yearly deductibles, and coinsurance. Also, people who qualify won't have a late enrollment penalty. To see if you qualify, call:
    - 1-800-MEDICARE (1-800-633-4227). TTY users can call 1-877-486-2048, 24 hours a day, 7 days a week.
    - Social Security at 1-800-772-1213 between 8 a.m. and 7 p.m., Monday -Friday for a representative. Automated messages are available 24 hours a day. TTY users call 1-800-325-0778.
    - Your State Medicaid Office.

- **Help from your state's pharmaceutical assistance program (SPAP).** State Pharmaceutical Assistance Program is a program that helps people pay for prescription drugs based on their financial need, age, or medical condition. To learn more about the program, check with your State Health Insurance Assistance Program (SHIP). To get the phone number for your state, visit shiphelp.org, or call 1-800-MEDICARE.

- **Prescription Cost-sharing Assistance for Persons with HIV/AIDS.** The AIDS Drug Assistance Program (ADAP) helps ensure that ADAP-eligible people living with HIV/AIDS have access to life-saving HIV medications. To be eligible for the ADAP operating in your state, you must meet certain criteria, including proof of state residence and HIV status, low income as defined by the state, and uninsured/under-insured status. Medicare Part D drugs that are also covered by ADAP qualify for prescription cost-sharing help through ADAP in California. For information on eligibility criteria, covered drugs, how to enroll in the program or if you are currently enrolled, how to continue receiving assistance, call the ADAP in your state. You can find your state's ADAP contact information in Chapter 2 of the Evidence of Coverage. Be sure, when calling, to inform them of your Medicare Part D plan name or policy number.

- **The Medicare Prescription Payment Plan.** The Medicare Prescription Payment Plan is a payment option that works with your current drug coverage to help you manage your out-of-pocket costs for drugs covered by our plan by spreading them across the calendar year (January – December). Anyone with a Medicare drug plan or Medicare health plan with drug coverage (like a Medicare Advantage plan with drug coverage) can use this payment option. **This payment option might help you manage your expenses, but it doesn't save you money or lower your drug costs.**

  Extra Help from Medicare and help from your SPAP and ADAP, for those who qualify, is more advantageous than participation in the Medicare Prescription Payment Plan. All members are eligible to participate in the Medicare Prescription Payment Plan. To learn more about this payment option, call us at (800) 370-8852 (TTY users should call 711) or visit www.Medicare.gov.

SECTION 5 Questions?

Get Help from Blue Shield Medicare

- **Call Customer Service at (800) 370-8852. (TTY users call 711.)**

  We're available for phone calls 7 a.m. to 8 p.m. PT, seven days a week. Calls to these numbers are free.

- **Read your 2026 *Evidence of Coverage***

  This *Annual Notice of Change* gives you a summary of changes in your benefits and costs for 2026. For details, go to the 2026 *Evidence of Coverage* for Blue Shield Medicare. The *Evidence of Coverage* is the legal, detailed description of our plan benefits. It explains your rights and the rules you need to follow to get covered services and prescription drugs. Get the *Evidence of Coverage* on our website at

blueshieldca.com/sfhss-retirees or call Customer Service (800) 370-8852 (TTY users call 711) to ask us to mail you a copy.

- **Visit blueshieldca.com/sfhss-retirees**

  Our website has the most up-to-date information about our provider network (*Provider Directory/Pharmacy Directory*) and our *List of Covered Drugs* (formulary/Drug List).

Get Free Counseling about Medicare

The State Health Insurance Assistance Program (SHIP) is an independent government program with trained counselors in every state.

It is a state program that gets money from the Federal government to give free local health insurance counseling to people with Medicare. SHIP counselors can help you with your Medicare questions or problems. They can help you understand your Medicare plan choices and answer questions about switching plans. You can call the SHIP in your state at the number listed in Chapter 2, Section 3 of the Evidence of Coverage.

Get Help from Medicare

- **Call 1-800-MEDICARE (1-800-633-4227)**

  You can call 1-800-MEDICARE (1-800-633-4227), 24 hours a day, 7 days a week. TTY users can call 1-877-486-2048.

- **Chat live with www.Medicare.gov**

  You can chat live at www.Medicare.gov/talk-to-someone.

- **Write to Medicare**

  You can write to Medicare at PO Box 1270, Lawrence, KS 66044

- **Visit www.Medicare.gov**

  The official Medicare website has information about cost, coverage, and quality Star Ratings to help you compare Medicare health plans in your area.

- **Read *Medicare & You* 2026**

  The *Medicare & You 2026* handbook is mailed to people with Medicare every fall. It has a summary of Medicare benefits, rights and protections, and answers to the most

frequently asked questions about Medicare. Get a copy at www.Medicare.gov or by calling 1-800-MEDICARE (1-800-633-4227). TTY users can call 1-877-486-2048.