

Midwest Retiree Medical – Legacy SBC

Effective 1/1/2011

General - Retiree Definitions:

Depending on when retired/different levels of Benefits usually apply.

Pre-1983 Retirees = Medical Expense Plan/MEP and are not DDB Capped*. This plan is generally a Deductible + 80/20% plan depending on the Service rendered.

1983-1986 = Medical Plan Plus/MPP and also not DDB Capped*. Very similar to PPO plan.

1987-1993 = PPO/Non and are not DDB Capped.*

1993 forward = Current Plan, but are DDB Capped.*

New Hire Retirees = hired in or were reclassified to RFT on or after 8/8/09 = Generally have same plan designs, pre-medicare, but pay 50% of total, actual cost. Medicare eligible new hire retirees are not eligible for medical, dental, part B reimbursement or HRAs.

DDB Cap* = Defined Dollar Benefit Cap = \$12,500/yr plan cost limit = if average cost goes over \$12,500.yr, retiree pays more premium to keep the medical plan.

Those Retired Pre-1993 keep their basic medical plan,
And are not subject to the DDB Cap.

General Enrollment:

The Insurance company for the traditional, Company Sponsored plan is BC/BS of Illinois except for MEP retirees who will have United Health Care.

Some retirees have flexible enrollment = allowing enrollment anytime, unless they have an HMO.

Defining Flexible retirees is difficult - the only way we know to define them is; these retirees will normally not get enrollment kits and Retired prior to April 4, 2009.

All other retirees will get enrollment kits and need to enroll during the specified fall time frame.

If unsure; Call Hewitt to determine.

For the year you become Medicare eligible; decide which medical plan makes the most sense for you down the road. For example: If in the PPO or HCN plan you may have to pay your out of pocket amounts twice in the same year when you move over to Medicare status midyear; whereas when in the Alternative plan you do not.

When deciding to retire you may also want to consider in advance; whether an HMO is the right choice as once Retired (midyear) HMO rates, coverage and benefit levels can vary greatly.

Pre-Medicare Retirees will usually have various HMO choices during open enrollment (by geographical area) . HMOs are not discussed here, but Retirees must carefully Compare Prices/Out of Pocket, Eligibility, Levels of benefit, Coverage - before choosing an HMO. Once signed up, you **Must** stay with the HMO for a full year.

The Rx Plan only applies to the traditional, Company sponsored medical plans (not HMO)s. The Rx plan is the same plan for both the PPO and HCN plans. The Alternative plan has a different Rx plan with different out of pocket costs.

General Medicare Rules:

Medicare Eligible retirees have Non-PPO Benefit levels, & will have a choice of an Alternative Plan, however that choice usually carries much higher out of pocket dollars.

Medicare Eligible retirees **MUST** sign up and pay **Medicare Part B premiums or NO BENEFITS ARE PAID. Medicare Part B Reimbursement is grandfathered at \$27.90/month per person.**

Post 1993... PRE-Medicare Retiree Medical Options:

Medical Plan officially called the CHCP = Comprehensive Health Care Plan = HCN and PPO/Non PPO

Both HCN & PPO have a Monthly Premium or what the Company calls a Contribution & is subject to change annually/based on DDB Cap.*

Both HCN & PPO have separate Rx plan w/separate costs.

Some Services/Procedures NOT COVERED when Provided by Non-PPO or Non-Network providers.

Retiree PPO/Non-PPO Plan (Preferred Provider Org)

Uses BC/BS National PPO group of providers

Premium: \$33.63 Single, \$60.54 Single + 1, \$75.68 Family*

When retiree's dependents are all non-medicare.

Deductible: \$150 Single & \$300 Family.

Co-Insurance: 0% PPO & 10% Non-PPO, after deductible.

Co-pays: Dr = \$30. Hospital = \$200. ER visits = \$75.

Out of Pocket Max: \$500 Single & \$1000 Family + deductible.

Does not include Co-pays or amounts charged over R&C, (Reasonable & Customary).

Retiree HCN Plan (Health Care Network Plan)

Uses BC/BS National PPO group of providers

Premium: \$33.63 Single, \$60.54 Single + 1, \$75.68 Family*

When retiree's dependents are all non-medicare.

Deductible: \$0 In-Network & \$300 Single & \$600 Family if Non-Network.

Co-Insurance: 0% In-Network & 25% Non-Network.

Co-pays: Dr = \$30. Hospital = \$200. ER visits = \$75.

Out of Pocket Max: \$300 Single, \$600 Family In-Network & \$1100 Single, \$2200 Family if Non-Network + Deductible.

Does not include Co-pays or amounts charged over the NNF, (Network Negotiated Fee).

Retiree Rx Plan is administered separate from Medical Plan but is the same plan for both HCN & PPO):

Premium: \$0

Deductible \$50 (retail) per individual/per year.

Coinsurance \$0.

OOP Max \$1500/Single & \$3000/Family

Applies to Generic and Formulary only

Co-pays: (maximum individual)

Retail Generic	\$8	(\$14)
Retail Formulary	\$26	(\$28)
Retail Non-Formulary	\$50	(\$56)
Mail Generic	\$17	(\$28)
Mail Formulary	\$54	(\$56)
Mail Non-Formulary	\$108	(\$112)

Retail has 2 Fill Limit unless thru CVS.

Mail Order =maintenance drugs/3month supply.

Can use CVS retail in lieu of mail.

Rx plan has no appeal process, but does have a

Specialty Pharmacy for high cost drugs.

Co-pay subject to annual increase or decrease.

- OR -

Post 93/PRE Medicare Retirees can also choose from what's known as the Alternative Plan:

Premiums/Contribution: \$0

Deductible: \$400 Single & \$800 Family In-Network,
\$1200 Single & \$2400 if Non-Network.***

Coinsurance: 10% In-Network & 50% Non-Network

OOP Max: \$1000 Single & 3000 Family In-Network,
\$3000 Single & 9000 Family Non-Network.***

Co-pays: \$0

NOTE: Non Network use in the Alternative Plan triples the cost of Deductible/OOP Max.***

Rx for Alternative Plan:

Premium/Contribution: \$0

Deductible: 2010 = \$75,
2011 = \$125,
2012 = \$175.

Coinsurance: \$0

OOP Max = 1500/Single & \$3000/Family.

Applies to Generic & Formulary only.

Co-pays: (Maximum Individual)

	<u>2010</u>	<u>2011</u>	<u>2012</u>
Retail Generic	\$10	\$10	\$11
Retail Formulary	\$30	\$30	\$33
Retail Non Formulary	\$50	\$50	\$55
Mail Generic	\$20	\$20	\$28
Mail Formulary	\$75	\$75	\$83
Mail Non Formulary	\$125	\$125	\$138

Medicare Eligible Retiree Options:

Medicare is Primary and pays first, but after that Retirees can choose either the Non-PPO Plan or the, Alternative Plan (both as described above).

The Rx Plan is the same for the Alternative Plan

Retiree HRAs (Health Care reimbursement Account):

Must be enrolled in HCN/PPO or Alternative Plan.

Not available for those in HMOs.

Non Medicare Only.

Post 1993 Retirees Only.

Follows 502 IRS Publication Rules.

Discontinued upon death of retiree.

2010: \$850 Single & \$1700 Family.

2011: \$150 Single & \$300 Family.

Retiree Care Plus:

Separate, supplementary, voluntary health care.

Coverage for conditions/procedures not usually covered by the traditional plans.

Must be pre-approved & premium is paid by retiree.

Retiree Dental:

No Premium, \$1300 Annual Maximum.

\$1600 Orthodontia Life Maximum.

Type A: 2 Cleanings/Year Paid (6 months apart).

Type B: All other services based on a fee schedule;

See SPD for more detail.

Dental PPO may be available.

Retiree Vision:

Future Retirees (those who retire during Life of the 2009 Contract) can have vision, but pay full cost of.

Retiree Life Insurance:

Group Life (paid for by Company)

1 x annual base wage; At age 65 begins to decrease by 10%/yr til age 70 (= 50%).

Those hired RFT prior to 8/8/09 & retiring from payroll 2010 + will have wage level frozen at 12/31/09 level for purposes of this benefit.

Those hired or reclassified RFT on or after 8/8/09 has a life insurance at retirement of \$15000.

Supplemental Life (paid by retiree) stops at age 65.

Retiree Death Benefit: (paid for by Company)

1 x annual basic wage limited to those hired before 1/1/93 and wages frozen at 1/1/95 level.

New Hires not eligible for.

Other Retiree Insurances:

Long Term Care: Nursing/Elder Care/Retiree Paid.

Marsh Plan: Various other insurances/EE Paid;

Not all retirees eligible to participate.

DISCLAIMER:

This information is a brief summary, was written for easy readability, is provided for training only and is not intended to replace Summary Plan Descriptions or Plan Documents. In all cases official Plan Documents govern and are the final authority on the terms of the plans, subject to the Collective Bargaining Agreement(s).