

TI Retiree Health Benefits Bulletin

Medicare Prescription Drug Coverage

July 13, 2005

You are receiving this bulletin, which provides you with information regarding upcoming Medicare changes, because you and/or your covered dependents are already eligible for Medicare or will become eligible during 2006. Please take note of the dates and information in this bulletin; **at this time, there is no other action for you to take.**

As you may have heard, Medicare will begin offering prescription drug coverage, also known as Medicare Part D, on January 1, 2006. This coverage will only be available to individuals who are enrolled in Medicare Part A and/or Part B. As information becomes available from the Centers for Medicare & Medicaid Services (CMS) it will be included in future TI Retiree Health Benefits Bulletins.

What is Medicare prescription drug coverage?

Medicare prescription drug coverage is the new voluntary outpatient prescription drug coverage (available January 1, 2006) and administered by private health insurance companies.

As a TI retiree, what does this mean to me?

This means that during annual enrollment you will have the option of enrolling in or remaining enrolled in TI extended health benefits coverage (also known as TI retiree healthcare benefits) or during Medicare enrollment you may enroll in one of several Medicare prescription drug plans. The Medicare prescription drug plans may vary depending upon the region of the United States in which you live. **It's important to note that you may enroll in TI extended health benefits coverage or one of Medicare's prescription drug plans, but not both.**

If I meet TI eligibility requirements, when and how do I enroll in TI's extended health benefits coverage?

For Internet users, your enrollment window runs from **October 24 through midnight Central time November 18**. If you prefer to enroll by phone, your window runs from **October 24 through 4:30 p.m. Central time November 30** (excluding weekends and the November 24 and 25 TI holidays). If you elect TI extended health benefits coverage, you must do so during this time period.

- When the time comes for enrollment, go to the Your Benefits Resources™ (YBR) Web site at <http://resources.hewitt.com/ti/> (or through the TI Alumni Web site at www.ti.alumni.org), or
- For phone enrollment, call the TI Benefits Center through TI SmartLink at (800) 890-2600. TI Benefits Center representatives are available Monday through Friday, 8:30 a.m. to 4:30 p.m. Central time.

➔ **What are the dates for enrollment in Medicare prescription drug coverage?**

The initial Medicare prescription drug coverage enrollment period runs from **November 15, 2005, through May 15, 2006**. If you enroll by December 31, your coverage will begin January 1, 2006. For detailed enrollment information regarding Medicare prescription drug coverage, please visit the Medicare Web site at www.medicare.gov or call (800) MEDICARE (800-633-4227).

IMPORTANT NOTE: *If you elect Medicare prescription drug coverage, you cannot elect TI extended health benefits coverage. If you elect Medicare prescription drug coverage and you terminated employment on or after January 1, 1998, you WILL NOT be eligible to re-enroll in a TI-sponsored extended health benefits plan at any time.*

Can I choose to keep my TI extended health benefits coverage in 2006?

Yes. You may elect to keep your TI extended health benefits coverage in 2006. However, Medicare-eligible TI retirees or Medicare-eligible dependents will not be able to participate in TI extended health benefits coverage and Medicare prescription drug coverage.

➔ **Can my spouse or dependent who is not eligible for Medicare remain enrolled in TI extended health benefits coverage if I choose to enroll in a Medicare prescription drug plan?**

No. To maintain coverage of your dependent or spouse in TI's extended health benefits coverage, **you** must also maintain TI extended health benefits coverage.

➔ **What will Medicare prescription drug coverage cost?**

According to Medicare, you will pay approximately \$37 per month, per person during 2006 and your annual Medicare prescription drug coverage deductible will be up to \$250. Medicare also indicates that you will be required to pay a copay or coinsurance that will vary depending on which Medicare prescription drug plan you choose.

Why might I want to choose Medicare prescription drug coverage instead of TI extended health benefits coverage?

For some individuals, Medicare prescription drug coverage might be a better option than the TI prescription drug portion of the TI extended health benefits plan. Depending on your prescription drug needs, each plan has its advantages.

TI does not have all of the relevant information at this time since Medicare will not release plan specifications until this fall. In the fall, companies that are offering Medicare prescription drug plans will contact you by mail regarding your options. In addition, Medicare will offer an online tool to help you compare the prescription drug plans offered in your area.

What should I do before making my decision?

To make an informed decision that is in your best interest, examine your prescription drug usage, financial resources, deductibles and copays. Then, compare your needs against the various Medicare prescription drug plan offerings and TI extended health benefits coverage. Remember that Medicare prescription drug plans will vary by region of the United States and that health insurance companies will offer various plans.

As the TI annual enrollment window approaches, you will receive updated information from TI. Use this information as you consider your Medicare and TI extended health benefits coverage options.

How will Medicare administer its prescription drug coverage?

For current information on Medicare prescription drug coverage, read *Introducing Medicare's New Coverage for Prescription Drugs*, which is available on the Medicare Web site at www.medicare.gov or to obtain a hard copy, call (800) MEDICARE (800-633-4227).

You may have seen the “standard plan” on Medicare’s Web site or elsewhere. This plan was issued only as a **guideline** to the private health insurance companies that will offer Medicare prescription drug plans. The standard plan might or might not be available in your area. Different plan designs will be offered in each region. Please watch for mailings from companies offering Medicare prescription drug plans. Additionally, according to Medicare, their online plan comparison tool will be available later this year.

Is assistance available for participants with limited income and resources?

Medicare will provide extra financial assistance to individuals with limited income and resources. Individuals who might be eligible for limited income assistance may have already received a letter from the Social Security Administration (SSA). This letter provides information on how to apply for extra financial help toward the cost of Medicare prescription drug coverage. For more information, call (800) MEDICARE (800-633-4227) or log on to the Medicare Web site at www.medicare.gov.

Watch for upcoming information in TI Retiree Health Benefits Bulletins on the following topics:

- Coordination of benefits
- Out-of-pocket maximums
- Medicare Part A and Part B coverage vs. TI extended health benefits coverage
- More information regarding Medicare prescription drug coverage

Sincerely,

TI Health Benefits