

What's new for 2011 Annual Enrollment & Benefits Educational Information

October 20, 2010



Agenda

- **Annual Enrollment Update**
- **Flu Update**
 - **Dr. Kevin Soden, TI Medical Director**
- **Medicare Update**

Key Dates

- Annual Enrollment Dates
 - Open from **November 2 – November 16**
- Communications
 - Annual Enrollment retiree kits mailed **October 26**
 - 2011 Annual Enrollment newspaper
 - Customized Personal Fact Sheet
 - Creditable Coverage Notice
 - All TI medical plans are creditable
 - Coming in a separate mailing
 - 2011 Retiree Health Benefits Guide

2011 Health Benefit Changes

2011 Plan Design Changes

Pre and Post Medicare

| | |
|--------------------|---|
| Health Care Reform | Extending dependent coverage up to age 26 for medical |
|--------------------|---|

Pre-Medicare

| | |
|--------|---|
| PPO | No premium increases for most |
| HMO | CIGNA HMOs are combined into CIGNA Copay Plan |
| HMO | Minimal increases in HMO premiums – some decreases in CIGNA |
| Dental | Minimal premium increases |

Post-Medicare

| | |
|--------|--|
| PPO | No premium increases |
| HMO | Moderate premium increases in SecureHorizons |
| Dental | Minimal premium increases |

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In conclusion

- Annual enrollment is Nov. 2-16
- Do your enrollment at netbenefits.fidelity.com
- Questions? TI Benefits Center through HR Connect at 888-660-1411, option 1

TI Confidential - NDA Restrictions



Flu - 2010

Kevin J. Soden, MD

Oct. 20, 2010

Flu Vaccine - Benefits

- Protects family, friends and others
- Lasts throughout the flu season
- Limits the severity of the flu

“All-in-One” Vaccine

- Contains 3 “killed” or inactivated viruses
 - 2009 H1N1
 - Influenza A - H3N2 virus
 - An influenza B virus
- Takes about 2 weeks to build up antibodies
- Cannot get the nasal flu vaccine

Who Should NOT get Vaccinated

- People with a severe allergy to chicken eggs.
- People who have had a severe reaction to an influenza vaccination.
- People who developed Guillain-Barré syndrome (GBS) within 6 weeks of getting an influenza vaccine.
- People who have a moderate-to-severe illness with a fever

What I Hear

- “I got a flu shot. How come I still got the flu?”
- “I always get the flu after I get a flu shot.”
- “I’ve never had a flu shot and I never get the flu.”



Prevention

- Cover your nose and mouth with a tissue when you cough or sneeze.
- Wash your hands often with soap and water or an alcohol-based hand rub.*
- Avoid touching your eyes, nose and mouth.
- Try to avoid close contact with sick people.
- If you are sick with flu-like illness, stay home for at least 24 hours after your fever is gone. (Your fever should be gone without the use of a fever-reducing medicine.)
- While sick, limit contact with others as much as possible to keep from infecting them.

Antiviral Medicines

- Have to be taken within 2 days of symptoms.
- Antiviral drugs can make illness milder and shorten the time you are sick.
- May prevent serious flu complications.
- They are not antibiotics.

Other Vaccines

- Shingles (chickenpox)
- Pneumococcal vaccine
- tDap – Tetanus, pertussis and diphtheria



 **National Medicare**
TRAINING PROGRAM



*...helping people with
Medicare make informed
health care decisions*

Welcome to Medicare!

Melissa Scarborough, MPH, CHES
Centers for Medicare & Medicaid Services
Dallas Regional Office

What Is Medicare?

- Health insurance for
 - People 65 years of age and older
 - People under age 65 with certain disabilities
 - People of all ages with End-Stage Renal Disease
- Managed by Centers for Medicare & Medicaid Services (CMS)
- Sign up with Social Security or Railroad Retirement Board (RRB)

Applying for Medicare

- Apply 3 months before age 65
 - Don't have to be retired
 - Contact Social Security
- Enrollment automatic if you get Social Security or Railroad Retirement benefits
- Medicare.gov Search Tool: [Find Out if You Are Eligible for Medicare and When You Can Enroll](#)



Medicare Coverage Basics

- Part A (Hospital Insurance)
- Part B (Medical Insurance)
- Part C (Medicare Advantage Plan)
(like an HMO or PPO)
- Part D (Medicare Prescription Drug Plan)

The Affordable Care Act

- Patient Protection and Affordable Care Act (PPACA)
 - Signed into law H.R. 3590 on March 23, 2010
 - Makes numerous statutory changes to Medicare program
- The Health Care and Education Reconciliation Act of 2010 (HCERA)
 - Signed into law H.R. 4872 on March 30, 2010
 - Modifies PPACA and adds several new provisions
- Together called the Affordable Care Act

Highlights of Affordable Care Act

- Closes prescription drug coverage “Donut Hole”
- Reduces subsidies to insurance companies
- Strengthens the financial health of Medicare
 - Invests in fighting waste, fraud, and abuse
 - Will extend the financial health of Medicare by 9 years
- Changes annual enrollment period

Highlights of Affordable Care Act

- Improves preventive services coverage by eliminating
 - Deductibles
 - Copayments
 - Other cost-sharing
- Free annual wellness check-ups starting in 2011
- Promotes better care after a hospital discharge
- Improves the quality of care

Other Changes

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- Help for early retirees (before age 65)
 - Temporary program to offset cost of expensive premiums
 - Effective June 23, 2010
- Help for people with pre-existing conditions
 - Health insurance through temporary high-risk pools
 - Effective July 1, 2010
 - In 2014, insurance companies can't deny coverage\
- Title VIII. Community Living Assistance Services and Supports Act (CLASS Act)

Medicare Part A

- Most people don't pay a monthly premium for Part A
- People with less than 10 years of Medicare-covered work
 - Can still get Part A
 - Will pay a premium
- For information about Part A eligibility
 - Call Social Security
 - 1-800-772-1213
 - TTY users call 1-800-325-0778

Enrolling in Medicare Part B

- You choose whether or not to enroll in Part B
- Initial Enrollment Period (IEP)
 - 7 months, starting 3 months before month eligible
- General Enrollment Period (GEP)
 - January 1 through March 31 each year
 - Coverage begins July 1
 - Premium penalty, in most cases
- Special Enrollment Period
 - Sign up within 8 months of the end of employer or union health plan coverage
 - No increased premium

Annual Election Period in 2011

- Timeframe dates change in 2011 and beyond
- October 15 – December 7, 2011
- Coverage begins January 1, 2012
- 2012 and beyond for Annual Election Period
 - October 15 – December 7
 - Coverage begins January 1 of following year

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Income-Related Part B Premium

- Effective January 1, 2011, Part B premium income thresholds frozen at 2010 levels through 2019

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| If your Yearly Income in 2008 was | | You Pay |
|-----------------------------------|---------------------|----------------------|
| File Individual Tax | File Joint Tax | |
| \$85,000 or below | \$170,000 or below | \$96.40* or \$110.50 |
| \$85,001–\$107,000 | \$170,001–\$214,000 | \$154.70 |
| \$107,001–\$160,000 | \$214,001–\$320,000 | \$221.00 |
| \$160,001–\$214,000 | \$320,001–\$428,000 | \$287.30 |
| above \$214,000 | above \$428,000 | \$353.60 |

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27

Original Medicare

- Go to any health care provider that accepts Medicare
- For Part A services in 2010, you pay
 - \$1,100 deductible for hospital stays up to 60 days
 - Additional costs after 60 days
 - Different costs for other Part A services
- For Part B services in 2010, you pay
 - \$155 annual deductible
 - 20% coinsurance for most Part B services
- Some programs may help with costs

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Medigap

- Health insurance policy
 - Sold by private insurance companies
 - Must say “Medicare Supplement Insurance”
 - Covers “gaps” in Original Medicare
 - Deductibles, coinsurance, copayments
 - Does not work with Medicare Advantage Plans
- You can buy a Medigap policy
 - Within 6 months of enrolling in Part B
 - Must be age 65 or older

MIPPA Medigap Changes

- Effective June 1, 2010
- Adds hospice coverage
 - Basic benefit to all plans
- Deletes preventive services
- Deletes at-home recovery
- Creates new Plans D & G, and M & N
- Eliminates E, H, I, and J Plans

2010 MIPPA Medigap Changes

(* denotes new plans and benefits)

| Basic Benefits | Deleted Coverage | Deleted Plans | Plan D | Plan G | Plan M * | Plan N * |
|--|--|---------------|---|---|---|---|
| Add Hospice Coverage- Part A coinsurance* (Part A coinsurance + 365 days; Part B coinsurance or copayments for outpatient; blood, first 3 pints per year) | Preventive Services; No In-Home Recovery | E, H, I, J | Basic, including 100% Part B Coinsurance Skilled Nursing Facility coinsurance Part A Deductible Foreign Travel Emergency (In-Home recovery deleted) | Basic, including 100% Part B Coinsurance Skilled Nursing Facility Coinsurance Part A Deductible 100% Part B Excess * Foreign Travel Emergency (In-Home Recovery deleted) | Basic, including 100% Part B Coinsurance Skilled Nursing Facility Coinsurance 50% Part A Deductible Foreign Travel Emergency | Basic, including 100% Part B Coinsurance (except up to \$20 office visit copayment; up to \$50/ER) Skilled Nursing Facility coinsurance Part A Deductible Foreign Travel Emergency |

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2010 Carryover Medigap Plans

| Plan A | Plan B | Plan C | Plan D | Plan F* | Plan G | Plan K | Plan L |
|--|---|--|---|--|---|---|---|
| Basic, including 100% Part B coinsurance (Basic= Part A coinsurance + 365 days; Part B coinsurance or copayments for outpatient; blood, first 3 pints per year; hospice [Part A coinsurance]) | Basic, including 100% Part B coinsurance Part A Deductible | Basic, including 100% Part B coinsurance Part A Deductible Skilled Nursing Facility (SNF) coinsurance Part B Deductible Foreign Travel Emergency | Basic, including 100% Part B coinsurance Part A Deductible Skilled Nursing Facility (SNF) coinsurance Foreign Travel Emergency | Basic, including 100% Part B coinsurance Part A Deductible Skilled Nursing Facility (SNF) coinsurance Part B Deductible 100% Part B Excess Foreign Travel Emergency * Also a high deductible option of \$2,000 | Basic, including 100% Part B coinsurance Part A Deductible Skilled Nursing Facility (SNF) coinsurance 100% Part B Excess Foreign Travel Emergency | Hospitalization and preventive care paid at 100%; other basic benefits paid at 50% 50% Skilled Nursing Facility (SNF) coinsurance 50% Part A Deductible Out-of-pocket limit (\$4,620); paid @ 100% after limit reached | Hospitalization and preventive care paid at 100%; other basic benefits paid at 75% 75% Skilled Nursing Facility (SNF) coinsurance 75% Part A Deductible Out-of-pocket limit (\$2,310); paid @ 100% after limit reached |

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32

Medicare Advantage Plans

- Health Maintenance Organization (HMO) Plans
 - Some have Point-of-Service option
- Preferred Provider Organization (PPO) Plans
- Private Fee-for-Service (PFFS) Plans
- Special Needs Plans
- Medicare Medical Savings Account (MSA) Plans
 - Since 2007
- Medicare.gov Search Tool: [Compare Health Plans and Medigap Policies in Your Area](#)

Medicare Advantage Enrollment Periods

- Annual Coordinated Election Period (AEP)
 - Change plans or switch to Original Medicare
 - November 15 – December 31 in 2010
- 2011 and beyond
 - **New dates for AEP – October 15 – December 7**
 - Change plans or switch to Original Medicare
 - **MA Open Enrollment Period eliminated**

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New MA Annual Disenrollment Period

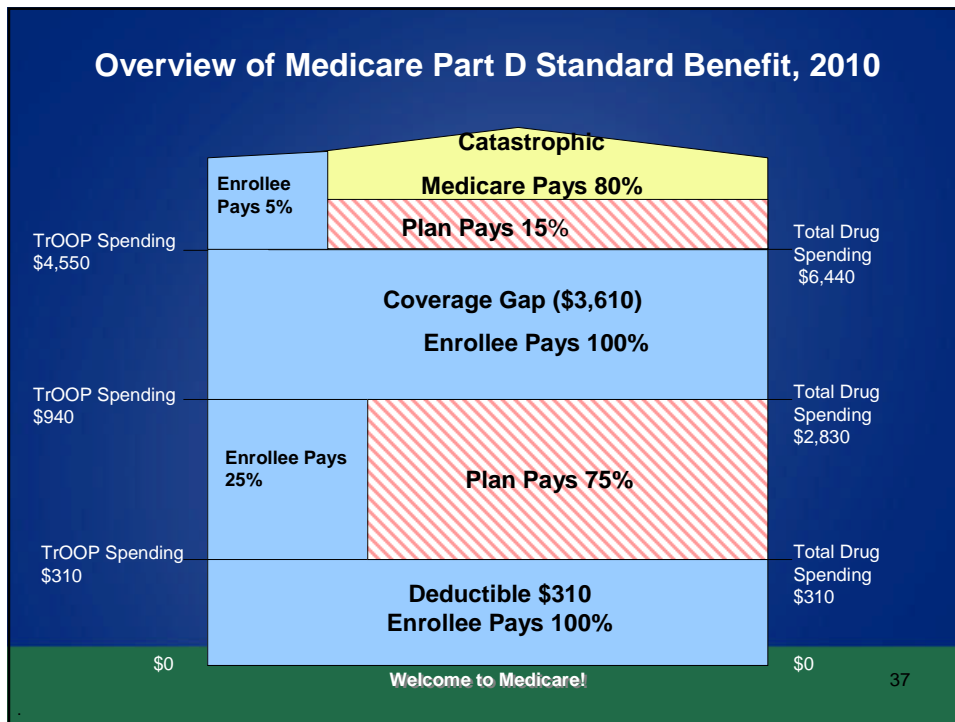
- New in 2011
- January 1 – February 14
 - Leave MA plan and switch to Original Medicare
 - Coverage begins first day of following month
 - May join Part D plan
 - Coverage begins first of month after plan gets form
- To disenroll and switch to Original Medicare
 - Make a request directly to MA organization
 - Call 1-800-MEDICARE
 - Enroll in a standalone prescription drug plan

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Medicare Prescription Drug Coverage

- All people with Medicare can join a plan
- Provided through PDP, MAPD, Employers
- Initial Enrollment Period (IEP)
 - 7 mo. (Starts 3 mo. before month eligible for Medicare)
- Annual Coordinated Election Period (AEP)
 - November 15 through December 31, 2010
 - Can join, drop, or switch coverage (Effective Jan 1st)
 - ***New dates for AEP 2011 and beyond:*** October 15 – December 7
- Special Enrollment Period (SEP)
- Medicare.gov Search Tool: [Compare Medicare Prescription Drug Plans](#)

Overview of Medicare Part D Standard Benefit, 2010



Income-Related Adjustment to Part D Premium

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- Base beneficiary Part D premium increases
 - People with incomes above the thresholds used to compute income-related adjustment to Part B premiums
- Effective January 2011

| If your Yearly Income in 2008 was | | You Pay |
|-----------------------------------|---------------------|----------------|
| File Individual Tax | File Joint Tax | |
| \$85,000 or below | \$170,000 or below | Base Premium |
| \$85,001–\$107,000 | \$170,001–\$214,000 | Higher premium |
| \$107,001–\$160,000 | \$214,001–\$320,000 | Higher premium |
| \$160,001–\$214,000 | \$320,001–\$428,000 | Higher premium |
| above \$214,000 | above \$428,000 | Higher premium |

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38

Part D Coverage Gap

- One-time \$250 rebate
 - Reach the coverage gap any time in 2010 **AND**
 - Are NOT getting Extra Help
- If you reach the coverage gap in 2011
 - You get a 50% discount on brand-name Rx drugs
 - You get a 7% discount for generic drugs
- Additional savings in coverage gap each year
- Gap to be closed in 2020

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Extra Help With Drug Costs Income and Resource Limits

- Income
 - Below 150% Federal poverty level
 - 2010 amounts {
 - \$1,353.75 per month for an individual* or
 - \$1,821.25 per month for a married couple*
 - Based on family size
- Resources
 - 2010 amounts {
 - Up to \$12,510 (individual)
 - Up to \$25,010 (married couple)
 - Includes \$1,500/person funeral or burial expenses
 - Counts savings and stocks
 - Does not count home you live in
- Apply at www.SSA.gov
 - Also screens for Medicare Savings Programs
 - Helps pay portions of Medicare Premiums
 - May also pay deductibles and coinsurance

*Higher amounts for Alaska and Hawaii

When Medicare is Primary

- Medicare is the only insurance
- Other source of coverage is
 - Medigap policy
 - Medicaid
 - Retiree benefits
 - Indian Health Service
 - Veterans benefits and TRICARE for Life
 - COBRA continuation coverage
 - Except 30-month coordination period for people with End-Stage Renal Disease (ESRD)

Medicare is Secondary

- To employer group health plans (EGHP)
 - Working aged: EGHP with 20 or more employees
 - Disability: EGHP with 100 or more employees
 - ESRD: EGHP of any size
 - After 30-month coordination period
- To non-EGHP involving
 - Workers' Compensation (WC)
 - Black Lung Program
 - No-fault/liability insurance

DMEPOS—What You Need to Know

- DMEPOS stands for
 - Durable Medical Equipment, Prosthetics, Orthotics and Supplies
- Equipment /supplies covered under Medicare Part B
- New competitive bidding program
 - Effective 1/1/11
- If you live in affected area (***Dallas-Fort Worth***) and need certain products
 - You must use contract supplier, or
 - Medicare won't cover

Products Included in the Program

1. Oxygen, oxygen equipment, and supplies
2. Standard power wheelchairs, scooters
3. Complex rehabilitative power wheelchairs – Group 2 only
4. Mail-order diabetic supplies
5. Enteral nutrients, equipment, and supplies
6. Continuous Positive Airway Pressure (CPAP) devices and Respiratory Assist Devices (RADs)
7. Hospital beds and related accessories
8. Walkers and related accessories
9. Support surfaces (Group 2 mattresses/overlays) Miami only

For More Information

- 1-800-MEDICARE (1-800-633-4227)
 - TTY users call 1-877-486-2048
- www.medicare.gov
- www.cms.hhs.gov
- State Health Insurance Assistance Program (SHIP)
- Area Agency on Aging
- 211 Referral Service
- *Medicare & You* handbook
 - ❖ To Report Fraud call: 1-800-HHS-TIPS (1-800-447-8477)

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45

Questions & Answers

Note:

Due to the Health Insurance Portability and Accountability Act of 1996, please ask questions at the appropriate table in the back of the room.

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Back-up slides

