



*Update to the  
2006 Retiree Health Benefits Guide*  
(2009 Summary of Material Modifications)

Texas Instruments Incorporated (TI) is required to provide each participant with a notification of important changes to the TI Employees Health Benefit Plan (the “Plan”). This notification is called a Summary of Material Modification (“SMM”) and is intended to update the Summary Plan Description (“SPD”), also known as the *2006 Retiree Health Benefits Guide*. Please keep this notice with your SPD to maintain a current description of the Plan and its benefits.

Benefits under the Plan were modified effective January 1, 2009, as follows.

## **CHANGE #1: Changes in prescription benefits in the Blue Cross Blue Shield PPO for pre-Medicare participants**

The 'Build Your Own Options' is being replaced by one Pharmacy option.

(The following text updates page 26 of the *2006 Retiree Health Benefits Guide*)

### **Pre-Medicare Participants Prescription Benefits**

<b>Type</b>	<b>In-Network Coinsurance</b>	<b>Out-of-Network Coinsurance</b>	<b>Mail-Order Program Coinsurance</b>
Generic Drugs	55% of the total drug cost, for up to a 30-day supply	50% of the total drug cost, for up to a 30-day supply	60% of the total drug cost, for up to a 90-day supply
Brand-name Drugs (generic available)	55% of the total drug cost, for up to a 30-day supply You also pay the cost difference between the brand-name and generic drug*	50% of the total drug cost, for up to a 30-day supply You also pay the cost difference between the brand-name and generic drug*	60% of the total drug cost, for up to a 90-day supply You also pay the cost difference between the brand-name and generic drug*
Brand-name Drugs (no generic available)	55% of the total drug cost, for up to a 30-day supply	50% of the total drug cost, for up to a 30-day supply	60% of the total drug cost, for up to a 90-day supply
Annual pharmacy out-of-pocket maximum**	\$5,000 individual / \$10,000 family		

\* If a generic is available and a brand-name drug is purchased instead, you pay the appropriate coinsurance for the brand-name drug cost plus the cost difference between the brand-name and generic drug. The cost difference does not apply towards the pharmacy out-of-pocket maximum — you must still pay the difference, even if your out-of-pocket pharmacy maximum has been met.

\*\* The out-of-pocket pharmacy maximum does not include the cost difference you pay if a brand-name drug is received when a generic is available.

## **CHANGE #2: Changes in the Blue Cross Blue Shield PPO options for pre-Medicare participants only**

The 'Build Your Own Options' is being replaced by two Blue Cross Blue Shield PPO options: PPO A or PPO B. The difference between these options is the deductible amounts, out-of-pocket maximums and the cost for coverage.

(The following text updates page 39 of the *2006 Retiree Health Benefits Guide*)

### **Pre-Medicare Participants – Deductibles, Copays and Coinsurances in the Blue Cross Blue Shield PPO**

Retirees share the cost of coverage through deductibles, copays and coinsurance, the following chart highlights coverage amounts.

<b>Benefit</b>	<b>Network</b>	<b>Non-Network</b>
<b>Deductibles/Copays</b>		
Annual Deductible — Medical	PPO A option: \$300 individual / \$600 family  PPO B option: \$500 individual / \$1,000 family	
Annual Deductible — Pharmacy	No deductible	
Annual Hospital Copay	\$0	\$300
<b>Coinsurance</b>		
Doctor <sup>2</sup>	90%	50%
Hospital (inpatient) & All Outpatient Care <sup>3</sup>	70%	50%
Nutrition	90%	N/A
Outpatient Care <sup>3,7</sup>	90%	50%
Behavioral Health Care (doctor/hospital) <sup>9</sup>	70%	50% <sup>5,6</sup>
Annual Out-of-Pocket Maximum for Medical <sup>1</sup>	PPO A option: \$3,000 ind/\$6,000 family  PPO B option: \$5,000 ind/\$10,000 family	PPO A option: \$4,500 ind/\$9,000 family  PPO B option: \$7,500 ind/\$15,000 family
Annual Out-of-Pocket Maximum for Pharmacy <sup>8</sup>	\$5,000 individual / \$10,000 family	

### **CHANGE #3: Expanded preventive health care benefits in the Blue**

#### **Cross Blue Shield PPO**

(Refer to page 46 of the *2006 Retiree Health Benefits Guide*)

- Coverage of the Shingles vaccine (Zostavax<sup>®</sup>, for example) has been added for adults age 60 and over.

### **CHANGE #4: Change in the Blue Cross Blue Shield PPO appeal timing**

(Refer to page 57 of the *2006 Retiree Health Benefits Guide*)

- Change from 30 days to 60 days in the following sentence— “If, after reviewing your appeal and any further information that you have submitted, Blue Cross Blue Shield denies your claim, either in whole or in part, a notice (which will be provided to you in writing by mail or hand delivery, or through E-mail) will be provided to you within a reasonable period of time, but not later than 60 days (72 hours for urgent care claims) from the day your request for a review was received by Blue Cross Blue Shield.”

### **CHANGE #5: Change in the MetLife Dental appeal timing**

(Refer to page 88 of the *2006 Retiree Health Benefits Guide*)

- Change from 30 days to 60 days in the following sentence— “If, after reviewing your appeal and any further information that you have submitted, MetLife denies your claim, either in whole or in part, a notice (which will be provided to you in writing by mail, or hand delivery, or through E-mail) will be provided to you within a reasonable period of time, but not later than 60 days from the day your request for a review was received by MetLife.”

## **CHANGE #6: Updated Contact Information**

- The phone number for TI Benefits Center has changed to 888-660-1411. TI Benefits Center Representatives are available between 8:30 a.m. and 8:30 p.m., Eastern Time, Monday through Friday (excluding New York Stock Exchange holidays). The address for TI Benefits Center is now:  
PO Box 770003  
Cincinnati, OH 45277
- The name and phone number for TI SmartLink has changed to TI HR Connect at 888-660-1411.
- Your Benefits Resources™ has changed to Fidelity NetBenefits® at [netbenefits.fidelity.com](http://netbenefits.fidelity.com). The Fidelity NetBenefits® Web site is available virtually 7 days per week, 24 hours per day, except for scheduled maintenance windows.
- The phone number and mailing address for the Optimum Choice HMO have changed. The new phone number is 800-815-8958. For mail, please use the mailing address on the back of your ID card.
- The phone number for SecureHorizons TX has changed to 866-622-8055; the phone number for SecureHorizons RI is 888-867-5548.

## **OTHER INFORMATION**

**Special Notice.** As required by the Women’s Health and Cancer Rights Act of 1998, the TI Plan provides benefits for mastectomy-related services, including all stages of reconstruction and surgery to achieve a symmetrical appearance between the breasts, prostheses and treatment of physical complications of all stages of mastectomy, including swelling associated with the removal of lymph nodes. Contact TI HR Connect at 888-660-1411 for more information regarding such benefits provided by the TI Plan.

**Questions.** If you have any questions about the information contained in this notice or would like to request another copy of the *2006 Retiree Health Benefits Guide*, contact the TI Benefits Center through TI HR Connect at 888-660-1411. You can also access the *2006 Retiree Health Benefits Guide* via the Fidelity NetBenefits® Web site ([netbenefits.fidelity.com](http://netbenefits.fidelity.com)) - select the “Health & Insurance” tab, scroll to the section identified as “More Benefits Resources”, click on “Reference Library” and look for “Summary Plan Description”. The *2006 Retiree Health Benefits Guide* can also be found at [www.tialumni.org](http://www.tialumni.org).

## Updated Medicare Prescription Drug Coverage Information

(The following text updates pages 65-71 of the *2006 Retiree Health Benefits Guide*)

### Medicare Prescription Drug Coverage Information

Medicare began offering prescription drug coverage in 2006. This coverage is only available to individuals who are enrolled in Medicare Part A and/or Part B. **It is important to note that you may obtain medical coverage through the TI Employees Health Benefit Plan (the “TI Plan”) or Medicare Prescription Drug Coverage, but not both.**

**If you decide to enroll in Medicare Prescription Drug Coverage, be aware that this will affect your TI Plan coverage. Your current coverage under the TI Plan pays for other health expenses in addition to prescription drug coverage. Detailed below is more information about what happens to your coverage if you enroll in a Medicare prescription drug plan.**

- **If you terminated employment on or after January 1, 1998:**
  - If **you** choose to enroll in Medicare Prescription Drug Coverage, you and any covered family members will lose coverage under the TI Plan, and WILL NOT be eligible to re-enroll at any time. *This means medical and prescription drug coverage under the TI Plan ends for you and any covered family members. Once coverage ends, it cannot be reinstated.* Please plan carefully, because if you enroll for Medicare Prescription Drug Coverage, your family members will be left without medical and prescription drug coverage if they don't have coverage elsewhere.
  - If **any of your covered family members** choose to enroll in Medicare Prescription Drug Coverage, they will lose their coverage under the TI Plan. *This means their medical and prescription drug coverage under the TI Plan ends.* If they drop their Medicare Prescription Drug Coverage, you will be able to re-enroll them for prescription drug coverage through the TI Plan during any annual enrollment period or within 30 days of an appropriate qualified status change (provided that you notify TI through the Fidelity NetBenefits® Web site or the TI Benefits Center within the same thirty day period of the status change), as long as you remain enrolled in the TI Plan. If you drop coverage under the TI Plan, neither you nor your dependents can re-enroll in the TI Plan.

- **If you terminated employment prior to January 1, 1998:**
  - If **you** choose to enroll in Medicare Prescription Drug Coverage, you and any covered family members will lose coverage under the TI Plan. *This means medical and prescription drug coverage under the TI Plan ends for you and any covered family members.* Please plan carefully because if you enroll for Medicare Prescription Drug Coverage, your family members will be left without medical and prescription drug coverage if they don't have coverage elsewhere. However, under the current provisions of the TI Plan, you will be able to re-enroll yourself and any eligible family members for coverage under the TI Plan at the next annual enrollment if Medicare Prescription Drug Coverage is dropped.
  - If **any of your covered family members** choose to enroll in Medicare Prescription Drug Coverage, they will lose their coverage under the TI Plan. *This means their medical and prescription drug coverage under the TI Plan ends.* However, under the current provisions of the TI Plan, you will be able to re-enroll them in the TI Plan if they drop Medicare Prescription Drug Coverage. You can re-enroll your family members in the TI Plan during any annual enrollment period or within 30 days of an appropriate qualified status change (provided that you notify TI through the Fidelity NetBenefits<sup>®</sup> Web site or the TI Benefits Center within the same thirty day period of the status change), as long as you are enrolled in the TI Plan.

**IMPORTANT NOTE:** If you elect Medicare Prescription Drug Coverage, you cannot elect medical coverage through the TI Plan. 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 medical coverage through the TI Plan.

## **Creditable Prescription Drug Coverage Notice**

Below is a sample of the Creditable Prescription Drug Coverage Notice. You should have received a copy of this notice. If you didn't receive, you can contact the TI Benefits Center at 888-660-1411 to request one.

## **Important Notice from Texas Instruments Incorporated About Your Prescription Drug Coverage and Medicare**

Please read this notice carefully and keep it where you can find it. This notice has information about your current prescription drug coverage with Texas Instruments Incorporated (TI) and new prescription drug coverage available for people with Medicare. It also explains the options you have under Medicare prescription drug coverage and can help you decide whether or not you want to enroll. At the end of this notice is information about where you can get help to make decisions about your prescription drug coverage.

- 1. Medicare prescription drug coverage became available in 2006 to everyone with Medicare through Medicare prescription drug plans and Medicare Advantage Plans that offer prescription drug coverage. All Medicare prescription drug plans provide at least a standard level of coverage set by Medicare. Some plans may also offer more coverage for a higher monthly premium.**
- 2. TI has determined that the prescription drug coverage offered by the TI plan is, on average for all plan participants, expected to pay out as much as the standard Medicare prescription drug coverage will pay and is therefore considered Creditable Coverage.**

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**Because your existing coverage is on average at least as good as standard Medicare prescription drug coverage, you can keep your TI Extended Health Benefits Coverage and not pay extra if you later decide to enroll in Medicare prescription drug coverage.**

Individuals can enroll in a Medicare prescription drug plan when they first become eligible for Medicare and each year from November 15 through December 31. Beneficiaries leaving employer/union coverage may be eligible for a Special Enrollment period to sign up for a Medicare prescription drug plan.

You should compare your current coverage, including which drugs are covered, with the coverage and cost of the plans offering Medicare prescription drug coverage in your area.

**If you do decide to enroll in a Medicare prescription drug plan, your TI coverage will be dropped and your dependents will be offered COBRA: be aware that you and your dependents may not be able get this coverage back.**

**Please contact us for more information about what happens to your coverage if you enroll in a Medicare prescription drug plan.**

TI has determined that the option(s) listed below is, on average for all plan participants, expected to pay out as much as the standard Medicare prescription drug coverage will pay and is therefore considered Creditable Coverage:

- BCBS PPO
- SecureHorizon HMO – Rhode Island
- SecureHorizon HMO – Texas

You should compare your current coverage, including which drugs are covered, with the coverage and cost of the plans offering Medicare Prescription Drug Coverage in your area.

- If **you** choose to join a Medicare prescription drug plan, you and any covered family members will lose coverage under the TI Plan, and WILL NOT be eligible to re-enroll at any time (unless you terminated employment prior to January 1, 1998). **This means medical and prescription drug coverage under the TI Plan ends for you and any covered family members.** Please plan carefully, because if you join a Medicare prescription drug plan, your family members will be left without medical and prescription drug coverage if they don't have coverage elsewhere. You will be able to enroll for TI coverage at the next annual enrollment or within 30 days of an appropriate qualified status change (provided that you notify TI through Fidelity NetBenefits® or the TI Benefits Center within the same thirty day period of the status change), if Medicare prescription drug coverage is dropped, unless you terminated employment on or after January 1, 1998, in which case **once TI coverage ends, it cannot be reinstated.**
- If **any of your covered family members** choose to join a Medicare prescription drug plan, they will lose their coverage under the TI Plan. This means their medical and prescription drug coverage under the TI Plan ends. If they drop their Medicare prescription drug coverage, you will be able to re-enroll them for prescription drug coverage through the TI Plan during any annual enrollment period or within 30 days of an appropriate qualified status change (provided that you notify TI through Fidelity NetBenefits or the TI Benefits Center within the same thirty day period of the status change), as long as you remain enrolled in the TI Plan. If you drop coverage under the TI Plan, neither you nor your dependents can re-enroll in the TI Plan (unless you terminated employment prior to January 1, 1998).

You should also know that if you drop or lose your coverage with TI and do not enroll in Medicare prescription drug coverage after your current coverage ends, you may pay more to enroll in Medicare prescription drug coverage later.

If you go 63 days or longer without prescription drug coverage that is at least as good as Medicare's prescription drug coverage; your monthly premium will go up at least 1% per month for every month after your initial enrollment period that you did not have that coverage. For example, if you go 19 months without creditable coverage, your premium will always be at least 19% higher than what most other people pay. You'll have to pay this higher premium as long as you have Medicare coverage. In addition, you may have to wait until the next November to enroll.

**For more information about this notice or  
your current prescription drug coverage...**

Please call the TI Benefits Center toll-free at 888-660-1411, Monday through Friday (excluding New York Stock Exchange holidays) between 8:30 a.m. and 8:30 p.m. Eastern time to speak with a customer service associate. **Note:** You will receive this notice annually and at other times in the future such as before the next period you can enroll in Medicare prescription drug coverage, and if this coverage changes. You also may request a copy.

**For more information about your options under  
Medicare prescription drug coverage...**

More detailed information about Medicare plans that offer prescription drug coverage is in the **Medicare & You** handbook. You'll get a copy of the handbook in the mail every year from Medicare. You may also be contacted directly by Medicare prescription drug plans. You can also get more information about Medicare prescription drug plans from the following:

- Visit **www.medicare.gov**.
- Call your State Health Insurance Assistance Program (see your copy of the **Medicare & You** handbook for their telephone number) for personalized help.
- Call 800-MEDICARE (800-633-4227). TTY users should call 877-486-2048.

For people with limited income and resources, extra help paying for a Medicare prescription drug plan is available. Information about this extra help is available from the Social Security Administration (SSA). For more information about this extra help, visit SSA online at **www.socialsecurity.gov**, or call them at 800-772-1213 (TTY 800-325-0778).

**Remember: Keep this Creditable Coverage notice. If you enroll in one of the new plans approved by Medicare which offer prescription drug coverage, you may need to give a copy of this notice when you join to show that you are not required to pay a higher premium amount.**

SAMPLE

