



Teamsters Western Region & Local 177 Retiree Health Care Plan

July 2025

IMPORTANT NOTICE FOR ALL RETIREE PLAN PARTICIPANTS

Deadline: October 1, 2025

All Retirees may enroll in an Enhanced Level of Benefits to be effective January 1, 2026.

The Trustees of the Teamsters Western Region & Local 177 Retiree Health Care Plan are pleased to introduce an Enhanced Level of Benefits for Retiree Medical/Rx benefits effective January 1, 2026!

The Retiree Health Care Plan has been designed to provide affordable coverage for retired Teamster members and their families with easy access to a wide range of health care services. The Enhanced Level of Benefits will provide a cost-sharing option that resembles the Active Health Care Plan for which you were previously enrolled.

This option is being offered for an additional monthly premium of:

\$75 per month for an individual or \$150 per month for family coverage.

Please review the enclosed materials to determine which benefit option is best for you and your family.

IMPORTANT: You get only **ONE** opportunity to select which Retiree level of benefits you want to be in. Once your selection is made by October 1, 2025, ***you (and your family) will be locked in.***

What You Need to Do:

1. You can do nothing, and you will remain in the **Traditional Option** (current medical plan).
2. Or you can choose to change to the **Enhanced Option** by completing the enclosed **Enhanced Level of Benefits Enrollment Form** as directed on the form.
3. Only the amount you pay and the amount the plan pays for services will change. Coverage will **NOT** change. All current benefits, exclusions, and limitations will remain the same.
4. Retiree Dental and Vision benefits will remain the same under both options.
5. **Deadline:** The Enhanced Level of Benefits Enrollment form must be received at the Administrative Office by **October 1, 2025**.
6. For more information, visit www.wr177healthcare.com or contact the Administrative Office at (855) 215-2039.

Providing Your Benefits. Protecting Your Future. Today. Tomorrow. Always.

Receipt of this notice does not constitute a determination of your eligibility. If you wish to verify eligibility, or if you have any questions regarding your eligibility, please contact the Administrative Office at (855) 215-2039.



Teamsters Western Region & Local 177 Retiree Health Care Plan

P.O. Box 43110
PHOENIX, AZ 85080-3110
TOLL FREE: (855) 215-2039 FAX: (602) 324-0555
WWW.WR177HEALTHCARE.COM

JANUARY 2026 ENHANCED LEVEL OF BENEFITS ENROLLMENT FORM

Due October 1, 2025

IMPORTANT INFORMATION – EFFECTIVE JANUARY 1, 2026, RETIREES HAVE AN OPTION TO ENROLL IN AN ENHANCED LEVEL OF BENEFITS OR TO REMAIN IN THE TRADITIONAL LEVEL OF BENEFITS. THE TRADITIONAL LEVEL OF BENEFITS WILL BE THE DEFAULT LEVEL OF BENEFITS IF YOU DO NOT RETURN THIS ENROLLMENT FORM BY OCTOBER 1, 2025.

WHICHEVER LEVEL OF BENEFITS IS ELECTED, THE LEVEL OF BENEFITS WILL BE LOCKED IN WITH THIS ONE-TIME ELECTION AND THERE WILL NOT BE AN OPTION TO CHANGE THE LEVEL OF BENEFITS AT A LATER DATE. PLEASE REVIEW YOUR OPTIONS AT WWW.WR177HEALTHCARE.COM TO DETERMINE THE BEST CHOICE FOR YOU AND YOUR FAMILY.

DO NOT DELAY. THIS FORM MUST BE SENT TO THE FUND OFFICE – **FULLY COMPLETED, SIGNED AND DATED BY YOU NO LATER THAN 10/1/2025.** SEND YOUR COMPLETED FORM TO THE ADMINISTRATIVE OFFICE NOW:

MAIL TO: TEAMSTERS WESTERN REGION & LOCAL 177 RETIREE HCP, PO Box 43110, PHOENIX, AZ 85080-3110

OR FAX TO: (602) 324-0555

OR UPLOAD THROUGH SSA'S SECURE MEMBER PORTAL AT: WWW.SSATPA.COM

RETIREE INFORMATION

LAST NAME:	FIRST NAME:	MI:	☐ M ☐ F	BIRTH DATE / /	
ADDRESS		CITY	STATE	ZIP	PHONE NO. () -
SOCIAL SECURITY NUMBER	MARITAL STATUS ☐ Married ☐ Divorced ☐ Single ☐ Widowed			LOCAL UNION NO.	

SPOUSE INFORMATION – YOU MUST ATTACH A COPY OF YOUR MARRIAGE CERTIFICATE / DIVORCE DECREE IF APPLICABLE

*** COVERAGE WILL NOT BE GIVEN UNTIL ALL SOCIAL SECURITY NUMBERS HAVE BEEN PROVIDED**

LAST NAME:	FIRST NAME:	MI:	BIRTH DATE: / /	☐ M ☐ F	SOCIAL SECURITY NO. *
IS YOUR SPOUSE EMPLOYED? ☐ NO ☐ YES	IF YES – EMPLOYER:	ADDRESS:			TELEPHONE NO.

ELIGIBILITY FOR ALL PERSONS LISTED SHALL BE SUBJECT TO ALL PROVISIONS AND LIMITATIONS OF THE TRUST AGREEMENT AND PLAN DOCUMENT AS WELL AS TO ANY RULES OR REGULATIONS ADOPTED BY THE BOARD OF TRUSTEES. PLEASE SEE YOUR SUMMARY PLAN DESCRIPTION FOR A FULL EXPLANATION.

✓ **COVERAGE FOR A DEPENDENT CHILD TERMINATES AT AGE 19. COVERAGE CAN BE CONTINUED UNTIL AGE 25, PROVIDED THE DEPENDENT IS ATTENDING COLLEGE OR AN ACCREDITED SCHOOL AS A FULL TIME STUDENT. THE FULL TIME STUDENT STATUS FORM CAN BE FOUND ON THE WEBSITE AT WWW.WR177HEALTHCARE.COM.**

****NOTE – THE ABOVE INFORMATION WILL BE NECESSARY EACH SEMESTER IN ORDER TO CONTINUE COVERAGE.****

CHILDREN - IF ADDITIONAL SPACE NEEDED ATTACH A SEPARATE SHEET

FULL NAME (LAST, FIRST, MI)	SEX	DATE OF BIRTH	SOCIAL SECURITY No. *	RELATIONSHIP TO EMPLOYEE
	☐ M ☐ F	/ /	/ /	☐ NATURAL/ADOPTED CHILD ☐ STEP CHILD ☐ OTHER (SPECIFY)
	☐ M ☐ F	/ /	/ /	☐ NATURAL/ADOPTED CHILD ☐ STEP CHILD ☐ OTHER (SPECIFY)

	Retirees Non-Medicare Eligible (Pre-Age 65) Single/Family	Retirees Non-Medicare Eligible (Pre-Age 65) One Non-Medicare/One Medicare	Retirees Medicare Eligible (Post-Age 65) Single/Family
Monthly Self-Pay Contribution for TRADITIONAL Level of Benefits:			
2026	\$150/\$300	\$200	\$50/\$100
Monthly Self-Pay Contribution for ENHANCED Level of Benefits			
2026	\$225/\$450	\$350	\$125/\$250

DO NOT SUBMIT THIS ENHANCED LEVEL OF BENEFITS ENROLLMENT FORM IF YOU WISH TO CONTINUE WITH THE CURRENT LEVEL OF BENEFITS AND THE CURRENT MONTHLY SELF-PAY CONTRIBUTIONS (what you have now).

This Enrollment form is only to be submitted if you wish to change to the Enhanced Level of Benefits.

FRAUD NOTICE

I UNDERSTAND THAT THE TRUST FUND IS RELYING ON MY ANSWERS ON THIS FORM. I REPRESENT, UNDER PENALTY OF PERJURY, THAT THE ANSWERS GIVEN TO ALL QUESTIONS ON THIS FORM ARE TRUE AND ACCURATE. I UNDERSTAND THAT IF I KNOWINGLY AND WITH INTENT TO DEFRAUD THE TRUST FUND, PROVIDE FALSE INFORMATION OR CONCEAL, FOR THE PURPOSE OF MISLEADING, INFORMATION CONCERNING ANY FACT MATERIAL THERETO, I MAY BE SUBJECT TO CIVIL AND CRIMINAL PENALTIES. I UNDERSTAND THAT IT IS A FEDERAL CRIME, PUNISHABLE BY FINE OR IMPRISONMENT, OR BOTH, TO KNOWINGLY MAKE FALSE STATEMENTS ON THIS VERIFICATION FORM.

AUTHORIZATION TO RELEASE INFORMATION AND AUTHORIZATION TO PAY BENEFITS TO PROVIDER

I HEREBY AUTHORIZE ANY PHYSICIAN OR HOSPITAL TO FURNISH AND DISCLOSE ALL KNOWN FACTS CONCERNING MY CLAIM. I WILL REIMBURSE THE FUND FOR ANY OVERPAYMENT MADE TO ME OR IN MY BEHALF DUE TO ERROR ON THIS FORM. I HEREBY AUTHORIZE PAYMENT DIRECTLY TO THE PROVIDER FOR HIS SERVICES AS DESCRIBED HEREON OR IN SUPPLEMENTAL STATEMENTS, NOT TO EXCEED THE REASONABLE AND CUSTOMARY CHARGES FOR THOSE SERVICES. I UNDERSTAND THAT THIS AUTHORIZATION WILL REMAIN IN FORCE UNTIL CANCELLED IN WRITING BY ME.

✓

RETIREE SIGNATURE

SOCIAL SECURITY #

DATE



Teamsters Western Region & Local 177 Retiree Health Care Plan

Effective January 1, 2026, the Retiree Plan will have two Levels of Benefits for Retirees to choose from for their family: **Traditional** Level of Benefits and **Enhanced** Level of Benefits.

The Traditional Level of Benefits may be more cost effective for those retirees with minimal healthcare needs, whereas the Enhanced Level of Benefits provides more predictable costs for frequent healthcare needs. For your reference, the charts below provide some comparisons to help you decide which Level of Benefits is best for you. Additional details and examples can be found online at www.wr177healthcare.com.

BENEFIT DESCRIPTION	ENHANCED LEVEL OF BENEFITS	TRADITIONAL LEVEL OF BENEFITS
Calendar Year Deductible	Not Applicable	\$200 per Individual - \$400 per Family (applies to most Medical & RX benefits)
Annual Out-of-Pocket Maximum	\$1,000 per Individual - \$2,000 per Family for In-Network Services Not Applicable for Out-of-Network Services	\$1,000 per Individual - \$2,000 per Family for In-Network Services Not Applicable for Out-of-Network Services
Ambulance Services	Emergency Transport: In-Network: 100% Out-of-Network: 100%	Emergency Transport: In-Network: 80% after Deductible Out-of-Network: 70% after Deductible
Prescription Drugs: (See SPD for additional details).	Retail (30-day Supply): \$5 Copay Specialty Drugs: \$0 Copay Mail Order (90-day Supply): \$0 Copay <i>Copays listed apply to Generic drugs or Brand Name if no Generic Available.</i>	Retail (30-day Supply): 80% after Deductible Specialty Drugs: 80% after Deductible Mail Order (90-day Supply): 80% after Deductible
Behavioral Services	Office Visit: In-Network: 100% after \$10 copayment Out-of-Network: 80%	Office Visit: In-Network: 80% after Deductible Out-of-Network: 70% after Deductible
	Inpatient Admission/Residential Treatment: In-Network: 100% Out-of-Network: 80% Other Outpatient Services: In-Network: 100% Out-of-Network: 80%	Inpatient Admission/Residential Treatment: In-Network: 80% after Deductible Out-of-Network: 70% after Deductible Other Outpatient Services: In-Network: 80% after Deductible Out-of-Network: 70% after Deductible



Teamsters Western Region & Local 177 Retiree Health Care Plan

BENEFIT DESCRIPTION	ENHANCED LEVEL OF BENEFITS	TRADITIONAL LEVEL OF BENEFITS
Emergency Room & Urgent Care Services	Urgent Care Services: In-Network: 100% after \$10 Copay Out-of-Network: 80% Emergency Room Services: <u>Non-Emergency Use:</u> 100% after \$100 Copay <u>Emergency Use:</u> 100% after \$25 Copay (If Admitted, copay is waived)	Urgent Care Services: In-Network: 80% after Deductible Out-of-Network: 70% after Deductible Emergency Room Services: <u>Non-Emergency Use:</u> In-Network: 80% after Deductible Out-of-Network: 70% after Deductible <u>Emergency Use:</u> In-Network: 80% after Deductible Out-of-Network: 80% after Deductible
Hearing Services	Hearing (Audiometric) Exam: 100% after a \$10 Copay Hearing Aids: 100% up to \$3,000 per ear every 4 years for adults Dependent Children allowed 1 hearing aid per ear annually.	Hearing (Audiometric) Exam: In-Network: 80% after Deductible Out-of-Network: 70% after Deductible Hearing Aids: In-Network: 80% after Deductible Out-of-Network: 70% after Deductible
Hospital Services (Inpatient)	In-Network: 100% Out-of-Network: 80%	In-Network: 80% after Deductible Out-of-Network: 70% after Deductible
Physician & Other Health Care Practitioner Services	Office Visit: In-Network: 100% after \$10 Copay Out-of-Network: 80% All Other Physician Services: In-Network: 100% Out-of-Network: 80% <i>(Outpatient Out-of-Network Pain Management Services are not covered)</i>	Office Visit: In-Network: 80% after Deductible Out-of-Network: 70% after Deductible All Other Physician Services: In-Network: 80% after Deductible Out-of-Network: 70% after Deductible <i>(Outpatient Out-of-Network Pain Management Services are not covered)</i>
Spinal Manipulation Services	In-Network: 100% after \$10 Copay Out-of-Network: 80%	In-Network: 80% after Deductible Out-of-Network: 70% after Deductible
Wellness Services (Preventive)	In-Network: 100% Out-of-Network: Not Covered	In-Network: Alcohol/Drug Preventive Counseling: 100% All Other Services: 80% after Deductible Out-of-Network: Not Covered



Teamsters Western Region & Local 177 Retiree Health Care Plan

The **Enhanced Level of Benefits** could keep benefit costs lower throughout the year, which may make it less likely to meet the Annual Out-of-Pocket Maximum. The **Traditional Level of Benefits** could result in larger up-front expenses but would likely result in meeting the Out-of-Pocket Maximum to allow 100% benefit coverage for the remainder of the calendar year.

The Enhanced Level of Benefits has a higher monthly self-pay premium than the Traditional Level of Benefits as shown in the below self-pay contribution chart:

	Retirees Non-Medicare Eligible (Pre-Age 65) Single/Family	Retirees Non-Medicare Eligible (Pre-Age 65) One Non-Medicare/One Medicare	Retirees Medicare Eligible (Post-Age 65) Single/Family
Monthly Self-Pay Contribution for ENHANCED Level of Benefits:			
2026	\$225/\$450	\$350	\$125/\$250
Monthly Self-Pay Contribution for TRADITIONAL Level of Benefits:			
2026	\$150/\$300	\$200	\$50/\$100



Teamsters Western Region & Local 177 Retiree Health Care Plan

New Level of Benefits Under Your Retiree Plan

1



Overview of Changes

The Teamsters Western Region & Local 177 Retiree Health Care Plan is designed to provide affordable coverage for retired Teamster members and their families and easy access to a wide range of health care services. The Retiree Plan is now offering some of the same Level of Benefits options provided by the Active Plan for your Medical and Prescription benefits.

This Power Point will offer an understanding of:

- ▶ The new Level of Benefits option
- ▶ A comparison of the benefits between the Active and Retiree Plans
- ▶ Examples of different coverage circumstances under the two Level of Benefits options

2

The New Level of Benefits Option for the Retiree Plan



Traditional Option (Current Plan): You have the option to continue paying the same amount you do now for the same level of benefits; or



Enhanced Option: For an additional \$75 per month for individual (or an additional \$150 per month for family), you can receive the enhanced level of benefits that match the level of benefits currently in the Active Plan.



Remember both Options have a \$1,000 annual out-of-pocket maximum. After meeting the out-of-pocket maximum, the Plan pays 100%.

3

What does this mean for you?

You can do nothing and your current level of benefits will remain the same under the Traditional Option

OR

You can pay an additional \$75 per month for individual (or an additional \$150 per month for family) for the Enhanced Option:

- ▶ Only the amount you pay and the amount the Plan pays for Medical and Prescription services will change.
- ▶ Your current retiree benefits will **NOT** change. All current benefits, exclusions, and limitations will remain the same.
- ▶ Retiree Dental and Vision benefits do not change from the existing Retiree Dental and Vision benefits.

NOTE:

You get only **ONE** opportunity to select which level of benefits you want to be in. Once you select a level, you are locked in.

4

MONTHLY SELF-PAYMENT AMOUNTS

Traditional Level of Benefits			Enhanced Level of Benefits		
Retirees Non-Medicare Eligible	Retirees Non-Medicare Eligible	Retirees Medicare Eligible	Retirees Non-Medicare Eligible	Retirees Non-Medicare Eligible	Retirees Medicare Eligible
(Pre-Age 65)	(Pre-Age 65)	(Post-Age 65)	(Pre-Age 65)	(Pre-Age 65)	(Post-Age 65)
Single/Family	One Non-Medicare/One Medicare	Single/Family	Single/Family	One Non-Medicare/One Medicare	Single/Family
\$150/\$300	\$200	\$50/100	\$225/\$450	\$350	\$125/\$250

5

We will review some examples of the two Level of Benefits options...

- ▶ But first, here are some key benefit differences between the Retiree Plan and the Active Plan (remember, these will not change!)

6

Comparison of Benefits

BENEFIT	RETIREE PLAN	ACTIVE PLAN
Infertility Treatment	Excluded except for coverage of diagnosis/treatment of underlying cause/disease	Generally covered up to a lifetime limit of 25K \$
Dietitian Services	Covered for only obesity	Covered for both obesity and behavioral health conditions
Certain Genetic Testing	Coverage of testing only for diagnosis of underlying condition	A broader scope of genetic testing is covered consistent with the Plan Document description
Routine Costs in Clinical Trials	No coverage	Coverage for costs associated with an individual's participation in an "approved clinical trial" related to cancer or other life-threatening illnesses

7

What are the benefits of paying an additional amount for the Enhanced Option?

There are benefits to both the Traditional Option and the Enhanced Option, based on your circumstances.



There are cost saving opportunities under both options depending on how often you and your family go to the doctor or pay for prescriptions.



Let's look at some examples...

8

No Deductible

Currently, in the Retiree Plan you have a \$200 individual and \$400 family deductible. Under the new Enhanced Level of Benefits Option, you will have no deductible.

What could this mean for you?

- ▶ **With the Traditional Option:** You must meet your \$200 individual deductible before the Plan starts covering costs. If a visit costs \$150, you pay the full amount until the deductible is met.
- ▶ **With the Enhanced Option:** There's no deductible, so you immediately pay only a copay if applicable (e.g., \$10) instead of the full amount.
- ▶ **With the Traditional Option:** Your family must pay \$400 out-of-pocket for the family deductible before the Plan pays.
- ▶ **With the Enhanced Option:** There is no deductible, so every family member gets payment coverage from day one. If a family has multiple doctor visits, prescriptions, or unexpected medical needs, they avoid paying \$400 upfront before payment coverage kicks in.

9

Prescription Medication

Enhanced Level of Benefits Option

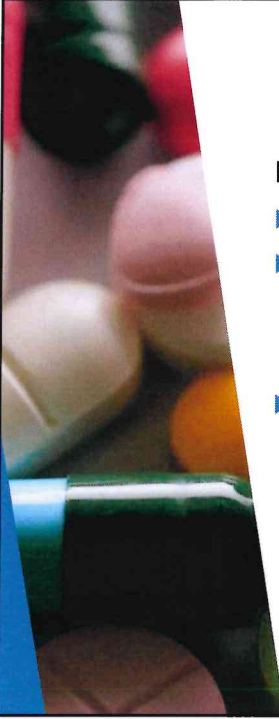
- ▶ Retail Prescription (up to 30-day supply): \$5 copay for generic medication.
- ▶ Specialty drugs: \$0 copay for generic medication.
- ▶ Mail Order Maintenance Choice (up to 90-day supply): \$0 copay for generic medication.

Traditional Level of Benefits Option

- ▶ Retail Prescription (up to 30-day supply): the Plan pays 80% after the deductible is met.
- ▶ Specialty drugs (up to 30-day supply): the Plan pays 80% after the deductible is met.
- ▶ Mail Order Maintenance Choice (up to 90-day supply): the Plan pays 80% after the deductible is met.

Both the Traditional Level of Benefits and the Enhanced Level of Benefits require you fill a generic equivalent or be responsible for the cost difference between the price of the brand name drug and the generic drug.

10



Prescription Medication Examples

Example 1: Generic Prescription

- ▶ Jim needs an antibiotic for an infection.
- ▶ Under the Traditional Option: Jim needs a generic medication that costs \$40. Since Jim hasn't met his \$200 deductible, he pays the full \$40 out-of-pocket.
- ▶ Under the Enhanced Option: Jim immediately pays only a \$5 copay, without needing to meet a deductible.

11



Prescription Medication Examples

Example 2: Mail Order Maintenance Medication

- ▶ Stanley takes a daily medication for cholesterol, costing \$120 per 90-day supply.
- ▶ Under the Traditional Option: Stanley must meet his \$200 deductible first. After that, the Plan covers 80% of the cost, leaving Stanley to pay \$24 for the remaining 90-day refills.
- ▶ Under the Enhanced Option: Since Stanley's medication has a generic version, Stanley pays \$0 for a 90-day supply through mail order.

12

Prescription Medication Examples

Example 3: Humira - Used for Rheumatoid Arthritis & Other Conditions

Retail price: \$7,000 per month (\$21,000 for a 90-day supply)

Enhanced Level of Benefits Option

- ▶ Specialty Drug Cost: \$0 copay for generic (Brand name if no generic equivalent).
- ▶ Humira has no generic equivalent, so it is covered at \$0 copay.
- ▶ Total Cost to Member: \$0 per month

Traditional Level of Benefits Option

- ▶ Specialty Drug Cost: Plan pays 80% after deductible is met.
- ▶ Step 1: Meet the \$200 Individual Deductible
 - ▶ Patient pays first \$200 out-of-pocket.
- ▶ Step 2: After Deductible
 - ▶ Plan pays 80% of remaining \$6,800 = \$5,440
 - ▶ Patient pays 20% of remaining \$6,800 = \$1,360 up to the annual out-of-pocket maximum (\$800).
- ▶ Total Annual Cost to Member: \$1,000 (\$200 deductible + \$800 coinsurance)

13

Prescription Medication Key Takeaways



The Enhanced Option generally has a \$0 to \$5 copay.



The Traditional Option covers 80% of the cost, until the annual out-of-pocket maximum is met. For the remainder of the year the Traditional Option covers 100%.



Carefully consider your prescription expenses to determine which option is best for you and your family.

14

Physician & Other Health Care Practitioner Services

Under the Enhanced Level of Benefits Option:

- ▶ The Plan pays 100% for in-network visits (*note that there is a \$10 co-pay for office visits)
- ▶ The Plan pays 80% for office visits that are out-of-network up to the Allowed Amount, not to billed charges

Under the Traditional Level of Benefits Option:

- ▶ After your deductible is met, the Plan pays 80% if the service is in-network
- ▶ The Plan pays 70% if the service is out-of-network up to the Allowed Amount, not to billed charges

15

Physician & Other Medical/Rx Health Care Practitioner Benefit & Cost Share Examples

Example 1: Routine Doctor's Visit (In-Network)

- ▶ Pam schedules a routine check-up with her primary care doctor. Total visit cost: \$150
- ▶ Under the Enhanced Option: Pam pays only a \$10 copay. The Plan covers the remaining \$140 (100%).
 - Total cost to Pam: \$10
- ▶ Under the Traditional Option: Pam must first meet her \$200 deductible before the Plan starts covering costs. If she has met the deductible, the Plan pays 80%, so she is responsible for \$30. If she has not met her deductible, she pays the full \$150.
 - Total cost to Pam: \$30 after deductible, up to \$150 if deductible is not met.

16



Physician & Other Medical/Rx Health Care Practitioner Benefit & Cost Share Examples

Example 2: Specialist Visit (In-Network)

- ▶ Michael sees a cardiologist for a follow-up appointment. Total visit cost: \$250
- ▶ Under the Enhanced Option: Michael pays only \$10. The Plan covers the remaining \$240.
 - Total cost to Michael: \$10
- ▶ Under the Traditional Option: If he has met his deductible, the Plan pays 80% of the cost, leaving Michael with \$50. If he has not met his deductible, he pays \$200 out of pocket, then the Plan pays 80% = \$40.
 - Total cost to Michael: \$50 after deductible, up to \$210 if deductible is not met.

17

Physician & Other Medical/Rx Health Care Practitioner Benefit and Cost Share Examples

Example 3: Out-of-Network Visit (Remember Out-of-Network providers leave you subject to Balance Billing!)

- ▶ Phyllis visits an out-of-network physician who billed \$900.
- ▶ Total visit Allowed Amount: \$300
- ▶ Under the Enhanced Option: The Plan pays 80% of the visit cost. Phyllis is responsible for 20% = \$60.
 - Total cost to Phyllis: \$60
 - Potential Balance Billing:
- ▶ Under the Traditional Option: If she has met her deductible, the Plan pays 70%, leaving Phyllis with \$90. If she has not met her deductible, she pays \$200, then the Plan pays 70% = \$70.
 - Total cost to Phyllis: \$90 after deductible, \$230 if deductible is not met.
 - Potential Balance Billing:

18

The Out-of-Pocket Maximum

Both the Traditional Option and the Enhanced Option include the same Out-of-Pocket Maximum:

- ▶ \$1,000 per person
- ▶ \$2,000 per family

This is the most you'll have to pay for certain covered medical expenses in a plan year before the Plan starts covering 100% of the costs.

The next couple of slides will illustrate how the cost differences between the Traditional Level of Benefits Option and the Enhanced Level of Benefits Option might affect whether you reach the Out-of-Pocket Maximum.

19

Out-of-Pocket Maximum Example

Example: High-Cost Specialty Drug User (Over 6 Months): Angela has a chronic condition and requires a specialty medication costing \$5,000 per month. She also has occasional doctor visits and a few generic prescriptions.

Enhanced Level of Benefits Option

- ▶ Specialty Drug: \$0 copay for generic (Brand name if no generic equivalent)
- ▶ Doctor Visits: \$10 copay per visit
- ▶ Retail Generic Prescriptions: \$5 per refill
- ▶ Angela's Monthly Costs:
 - Specialty drug (generic available): \$0
 - 2 doctor visits/month: \$20
 - 3 generic prescriptions/month: \$15
 - Total monthly out-of-pocket: \$35
- ▶ Time to Reach \$1,000 Out-of-Pocket Maximum:
 - \$35 per month
 - Angela will likely never reach the \$1,000 Out-of-Pocket Maximum

Traditional Level of Benefits Option

- ▶ Specialty Drug: 80% after deductible (\$200 deductible must be met first)
- ▶ Doctor Visits: 80% after deductible
- ▶ Retail Generic Prescriptions: 80% after deductible
- ▶ Angela's First Month Costs:
 - ▶ Specialty drug: First, she must pay the \$200 deductible. After that, the plan covers 80%, leaving Angela responsible for \$1,000 (20% of \$5,000, but capped at \$800 due to out-of-pocket maximum).
 - ▶ 2 doctor visits (\$150 each): After the deductible is met, she pays \$30 per visit (20%) = \$60.
 - ▶ 3 generic prescriptions (\$30 total before coverage): After deductible, she pays \$6 (20%).
- ▶ Total first-month out-of-pocket: \$1,266 (capped at \$1,000 out-of-pocket max, so the Plan covers the rest)
- ▶ Time to Reach \$1,000 Out-of-Pocket Maximum: Angela reaches the maximum in the first month. After that, all eligible in-network medical expenses are covered 100% for the rest of the year.

20



THE ENHANCED OPTION COULD KEEP COSTS LOWER THROUGHOUT THE YEAR, WHICH WOULD MAKE IT MORE DIFFICULT TO HIT THE OUT-OF-POCKET MAX.



THE TRADITIONAL OPTION GENERALLY RESULTS IN LARGER UP-FRONT EXPENSES BUT QUICKLY REACHES THE MAX FOR HIGH-COST USERS.



FOR PEOPLE NEEDING EXPENSIVE SPECIALTY DRUGS, THE ENHANCED OPTION IS HELPFUL DUE TO \$0 COPAYS ON GENERICS.



FOR THOSE WITH HIGH NON-DRUG MEDICAL EXPENSES, THE TRADITIONAL OPTION MAY HIT THE OUT-OF-POCKET MAXIMUM FASTER.

Out-of-Pocket Maximum Key Takeaways

21

Emergency Room & Urgent Care Services

Enhanced Level of Benefits Option

- ▶ Urgent Care Services: Plan pays 100% after \$10 copay for in-network; Plan pays 80% for out-of-network
- ▶ Non-Emergency Use of Emergency Room: Plan pays 100% after a \$100 copay
- ▶ Emergency Use of Emergency Room Services: Plan pays 100% (copay waived) for ER visit if admitted to the Hospital, or if you seek treatment at the emergency room within 24 hours of an accident,
- ▶ 100% after \$25 copay for ER visit, (if not admitted to the Hospital).

Traditional Level of Benefits Option

- ▶ Urgent Care Services: Plan pays 80% after deductible met for in-network and 70% after deductible met for out-of-network
- ▶ Non-Emergency Use of Emergency Room: Plan pays 80% after deductible met for in-network and 70% after deductible met for out-of-network
- ▶ Emergency Use of Emergency Room Services: Plan pays 80% after deductible met

22

Emergency Room & Urgent Care Services Example

Example 1: Urgent Care Visit for a Sinus Infection

- ▶ Toby wakes up with severe sinus pain, congestion, and a fever. He decides to visit an urgent care center.
- ▶ Urgent Care Visit Cost (In-Network): \$150
- ▶ Under the Enhanced Option:
 - Toby pays a \$10 copay.
 - The Plan covers the rest (\$140).
 - Total Out-of-Pocket: \$10
- ▶ Under the Traditional Option:
 - Toby has not met his \$200 deductible yet, so he pays the full \$150 out-of-pocket.
 - If he had met his deductible, he would pay 20% of \$150 = \$30.
 - Total Out-of-Pocket: \$150 (if deductible not met) or \$30 (if deductible met).

23

Emergency Room & Urgent Care Services Example Continued

Example 2: Toddler Falls and Gets Stitches at the ER (Emergency Use of ER)

- ▶ Meredith's 3-year-old son, Jake, falls and cuts his forehead while playing. He is taken to the ER for stitches within 24 hours.
- ▶ ER Visit Cost: \$1,500
- ▶ Under the Enhanced Option:
 - Because this is an emergency, and within 24 hours of the injury, Meredith pays \$0 for Jake.
 - The Plan covers the full \$1,500.
 - Total Out-of-Pocket: \$0
- ▶ Under the Traditional Option:
 - If Jake has not yet met his \$200 deductible, Meredith pays \$200 first for Jake.
 - After that, the Plan covers 80% of the remaining \$1,300 = \$1,040, and Jake is responsible for \$260.
 - Total Out-of-Pocket: \$460 if deductible not met, or \$300 if deductible met prior to ER Visit.

24

Emergency Room & Urgent Care Services Example Continued

Example 3: Non-Emergency ER Visit for Back Pain

- ▶ Creed has had chronic back pain for months but decides to visit the ER instead of scheduling a doctor's appointment. The ER deems it a non-emergency.
 - ER Visit Cost: \$2,000
- ▶ Under the Enhanced Option:
 - Since it's a non-emergency ER visit, Creed pays a \$100 copay.
 - The Plan covers the rest (\$1,900).
 - Total Out-of-Pocket: \$100
- ▶ Under the Traditional Option:
 - Creed must meet his \$200 deductible first, so he pays \$200.
 - After that, the Plan covers 80% of the remaining \$1,800 = \$1,440, leaving Creed to pay \$360.
 - Total Out-of-Pocket: \$560 if deductible not met, or \$400 if deductible met prior to ER Visit.



25

Let's Talk About Medicare...

Generally, anyone age 65 or older is entitled to Medicare coverage. Anyone under age 65 who is entitled to Social Security Disability Income benefits is also entitled to Medicare coverage. It is your responsibility to determine if you are eligible for Medicare!

If you or your spouse become eligible for Medicare, it is critical that you enroll in both Medicare Part A and Part B—and submit proof of enrollment.

Failing to do so will result in suspension of your retiree health coverage under the Plan starting the first of the month after you become eligible for Medicare, with the possibility of permanently losing your retiree coverage.

Act now: Enroll in Medicare Part A and Part B as soon as you're eligible and send your proof to the Plan's Administrative Office to avoid losing the health coverage you've earned.

26

Medicare Coordination of Benefits (COB)

If you are eligible for Medicare Parts A and B, this Plan is your secondary coverage, here's how it works:

- ▶ The Plan will pay benefits like it does for retirees who don't have Medicare, but it will subtract any amount already paid by Medicare.

27

Takeaways

- ▶ The Enhanced Level of Benefits Option provides more predictable costs for frequent healthcare needs. No deductible, lower copays, and full coverage for high-cost prescriptions (including specialty drugs) make this plan beneficial for individuals or families who visit doctors regularly or require expensive medications.
- ▶ The Traditional Level of Benefits Option may be more cost-effective for those with minimal healthcare needs. Lower monthly premiums mean lower upfront costs, but higher out-of-pocket expenses for doctor visits, prescriptions, and emergency services. High-cost medical events can quickly reach the out-of-pocket maximum under the Traditional Option.
- ▶ Expensive prescriptions or emergency room visits can lead to high initial costs under the Traditional Level of Benefits Option until the out-of-pocket maximum is reached, whereas the Enhanced Level of Benefits Option minimizes these financial surprises with set copays and full coverage for specialty drugs.
- ▶ It is important that you carefully consider your individual needs and circumstances prior to selecting an option.

28