SURVIVOR BENEFITS

GENERIC ISSUE

(UPDATED FEBRUARY 2008)

INDEX

1. DEATH NOTIFICATION

The following two organizations should be notified of the death of the retiree.

Alcatel-Lucent Pension Service Center
PO Box 750
Arlington Heights, IL 60006-0750
1-866-429-5764

http://lucentpension.csplans.com

AND

Alcatel-Lucent Benefits Center
2300 Discovery Drive
P.O. Box 785029
Orlando. FL 32878-5029
1-888-232-4111

http://resources.hewitt.com/alcatel-lucent

The Pension Center will send notification of death to the METLIFE INSURANCE CENTER (for payment of the Basic Life Insurance Benefit) and transfer you to the Alcatel-Lucent Benefits Center who will set up continuation of medical benefits (under COBRA). The Benefits Center will send you appropriate forms to obtain health benefits. In their letter, they will also provide you with the name and telephone number of a counselor who can be contacted if any questions arise.

Metlife will send you the forms to obtain the Basic Life Insurance benefit, which is discussed in Section 3.

The Benefits Center will advise that the existing health insurance and prescription plan costs will be paid at Lucent expense for a six-month period. They will send the proper forms towards the end of the 6- month period to be completed if the survivor wishes to continue the medical insurance at their own expense (See Section 5).

You will require a number of ORIGINAL death certificates to obtain various benefits and the proceeds of insurance policies. Get 6 original death certificates from the funeral director.

2. DEATH BENEFIT

You were to receive a death benefit from Lucent equal to the retirees compensation in year of retirement. This includes salary plus any AT&T awards.

The death benefit is taxable. However, the benefit could be taken over a 5 year period, instead of a lump sum, thereby decreasing the tax due in any one year. Monthly payments are also an option.

When the death of an employee is reported, a counselor will assist the survivor in obtaining the appropriate forms for all benefits, and will also provide appropriate information.

Death Benefit: (Example)

Salary:	$ 40,000
Lump Sum:	$ 2,000
Total:	$ 42,000 (See below note)

NOTE: IN A LETTER DATED 1/2/2003 WE WERE NOTIFIED THAT THE DEATH BENEFIT HAS BEEN CANCELED EFFECTIVE 2/1/2003, AND ACCORDINGLY THE ABOVE AMOUNT OF $42,000 WILL NOT BE PAID. THE LUCENT RETIREES ORGINAZATION IS INITIATING A CLASS ACTION SUIT TO RECOVER THIS BENEFIT.

In the Death Benefit case, the LRO has learned that the oral arguments in the Third Circuit Court of Appeals in Philadelphia (6th and Market Streets) is tentatively set for the morning of Wednesday, April 16, 2008.

3. BASIC LIFE INSURANCE

(SEE LIFE INSURANCE- SUMMARY PLAN DESCRIPTION-'96)

Report death to:

Lucent Pension Service Center
PO Box 750
Arlington Heights, IL 60006-0750
1-866-429-5765

The Pension Center will send information to:

METLIFE INSURANCE CENTER
PO BOX 5083
SOUTHFIELD, MI 48086-5083
1-888-201-4612
(GROUP INSURANCE 800-638-6420)
(TEAM B-LUCENT X-6833)
TCA ACCOUNT INFO 800-638-7283

http://lucent.metlife.com

The METLIFE INSURANCE CENTER will send you the appropriate forms to set up a Total Control Account, and will require an original death certificate.

The basic life insurance coverage is based on the retiree's total annual pay at the time of retirement rounded to the next higher $1,000. It included annual base pay and bonuses, incentives, and merit awards. The coverage decreased at a rate of 10% per year starting at age 65 until it reached 50% of the initial amount at age 70. If you assume an income of $60,000 at retirement, your life insurance would be:

@ 70 & above $ 30,000.00

Get claim form from Metlife and attach an original death certificate.

Upon receipt of the claim form and an original death certificate, a Total Control Account (TCA) will be established by MetLife. This will take approximately 1 month to set up. The proceeds will be put into an account which will earn interest until all the proceeds are withdrawn. (The interest rate quoted on 4/16/2007 was 4.1%)

You will be given the equivalent of a checkbook that can be used to withdraw from the account. The entire amount, or any portion, can be withdrawn as soon as the account is set up. The will be no charge to maintain the account, and as many checks as needed may be written per month. Each check, however, must be written for at least $250.00. A monthly statement will be sent to you.

The proceeds of the Basic Life Insurance is not taxable, as it is considered to be insurance. However, if the proceeds are left in the account, any interest earned is taxable.

You could leave this money in this account as it is readily available by use of its checks, and the interest earned could be at least as good, or better, as what you would get from most CDs. This account can be used to pay for larger expenses such as the annual homeowner's premium and t semi-annual real estate tax bills.

4. PENSION

At the time of retirement, the retiree had to choose an option of either selecting a survivor pension option at a reduced pension, or not selecting the survivor option.

If the retiree selected the survivor pension option, his pension would be reduced by 10%. The survivor would receive 50% of the retirees reduced pension upon his death. If the survivor passed before the retiree, the pension would be adjusted to the amount that he would have gotten if he did not select the survivor option.

If the retiree opted to decline the survivor option, and instead, used the money which would have been deducted from his pension (10%) to purchase a Universal Life Insurance Policy (or some other investment, the survivor would not be eligible for a pension. However, the proceeds of the insurance, if invested properly, could yield an annual income equivalent to the amount of the pension. In addition, the insurance money would now also be available to the survivor's adult children, which would not have been the case if a survivor option had been chosen.

5.0 MEDICAL BENEFITS

SUMMARY

THE ALCATEL-LUCENT BENEFIT INFORMATION CONTAINED, AND USED IN THIS DOCUMENT IS BASED ON THE BENEFITS OF A "MANAGEMENT/NON-REPRESENTED PLAN DESIGN RETIREE" WHO RETIRED PRIOR TO MARCH 1, 1990, AND IS COVERED BY THE TRADITIONAL INDEMNITY PLAN.

Our medical plan has changed in 2008. The Medical Benefits (See Section 5.1) portion (doctors, etc) has remained the same, but the Prescription Drug Plan (See Section 5.2) has changed considerably. The following analysis will cover each portion separately.

The medical costs portion of our medical benefits has remained essentially the same for 2008. There is no premium if the employee retired prior to March 1, 1990. The Out-Of- Pocket (OOP) cost per employee and their spouse has remained the same in 2008 at $1500.00 each. For people who retired after March 1, 1990, there is a premium cost, and the OOP cost has changed to $1800.00 each. The cost of the prescription program is included in the premium.

However, if the retiree were to pass, the spouse's medical costs would increase dramatically. The spouse would now be required to pay a monthly premium of between $150/month ($1800/year) and $300/month ($3600/year). The Benefits Department would not quote a price for the premium until such time that a "survivor" requests one. They did, however state that the premium would fall in the range of $150 to $300/month. In addition, under the Lucent plan, the spouse would pay up to a maximum $1500/year in out–of- pocket (OOP) costs. The current maximum OOP cost of $1500/year could increase to a total cost of between $1800-$5100/year, depending on the Lucent premium.

The analysis will show that the total annual cost for the Lucent (survivor) medical plan exceeds the cost of all of the other Medigap plans I examined by about $500 to $2000/year depending on the premium price. This is mainly due to the addition of the premium of $150 to $300/month, and the fact that there is a $1500 maximum annual OOP provision in the Lucent plan. With the Medigap plans, essentially all of those additional $1500 co-pay costs would be covered.

This would indicate that the survivor should convert to a Medigap plan if the Lucent premium was at $300/month, after the 6 month benefits period after the death of an employee, which is paid by Lucent. At the lower premium of $150/month, it might be well to stay with the Lucent plan if you are satisfied with their service and believe that their premium, formulary, etc. might not change as much at the end of the year as a Medigap plan would.

The above cost is for the medical (doctors, medical tests, etc.) portion only, and the estimated 2008 prescription costs of about $4000.00 (See Section 5.2), would have to be added.

Under the current Alcatel-Lucent medical plan rules, you can not continue in the Lucent Plan if you elect to obtain either a new Medigap Plan, or a new Medicare Part D Prescription Plan. Therefore, if you were to convert to a Medigap plan, it would also be necessary to convert to an alternate Medicare Part D Prescription Plan. An analysis of Medicare Prescription Plans is covered in Section 5.2. The total prescription costs for the Lucent Plan, and most of the other Part D Plans, were found to be essentially the same.

The maximum prescription OOP cost for a spouse (as a family member) in 2007 was $1500. The spouse' s OOP costs in 2008 will be higher, and would be the same as both a "family member", or as a "survivor", under the Medco Part D Prescription Plan.

The total annual cost, including both the medical and drug costs, for a survivor under the Alcatel-Lucent medical plan was estimated to be between approximately $7500 and $9000, depending on the premium cost. This was about the same, or considerably higher, than the total annual cost for any of the other Plans evaluated, which fell in the range of about $7000 to $7700, These costs are mostly affected by the premium costs. If I were to switch to a Medigap plan, I would select the Humana Plan at this time based on my spouse's current medications and prices quoted by Humana. However, if the spouse were taking different medications, perhaps a different Plan would be more economical.

The analysis included in this Survivor Document should be conducted again each subsequent year, since there may be medication and formulary changes, as well as premium and drug price changes, etc. for the various alternate plans.

It can be seen from the above that it would be very difficult to make a recommendation as to whether the survivor should retain the Lucent plan or switch to alternate Medigap and Medicare Part D plans since there are so many variables to consider. However, the procedures in this document would function to assist you in making that decision.

ATTACHMENTS

SECT. 5 - ATT. 1 2008 BENEFITS AT-A-GLANCE

SECT. 5 – ATT. 2 TABLE OF CONTENTS – MEDICAL PLAN

SECT. 5 – ATT. 3 SPOUSE MEDICAL COSTS

SECT. 5 – ATT. 3C SPOUSE MEDICAL COSTS –PREMIUM ESTIMATE C

SECT. 5 – ATT. 4B MP 2007/AVERAGE DOCTOR COSTS (GENERIC)

SECT. 5 – ATT. 5 MEDIGAP PLANS A THROUGH L COVERAGE

SECT. 5 - ATT. 6 REVIEW AVAILABLE MEDIGAP POLICIES

SECT. 5 – ATT. 7 MEDIGAP POLICY F DETAILS

SECT. 5 – ATT. 8B HUMANA MEDICARE SUPPLEMENT PLAN F DETAILS

SECT. 5 – ATT. 9 SETTING MEDIGAP POLICY PRICES

SECT. 5 – ATT. 10 MEDIGAP ANNUAL COST COMPARISON

SECT. 5 – ATT. 10C MEDIGAP ANNUAL COST COMPARISON - PREMIUM ESTIMATE C

SECT. 5 – ATT. 11B EST. PART D MED COSTS (QUARTERLY) (GENERIC)

SECT. 5 – ATT. 12B EST. PART D MED COSTS (MONTHLY) (GENERIC)

SECT. 5 – ATT. 13B REVIEW LIST OF PLANS IN YOUR AREA (GENERIC)

SECT. 5 – ATT. 14B REVIEW PLAN DETAILS (HUMANA)

SECT. 5 – ATT. 15 DRUG PLAN RATINGS (GENERIC)

SECT. 5 – ATT. 16B MEDICARE PART D MONTHLY COST COMPARISON (GENERIC)

SECT. 5 – ATT. 17 SURVIVOR'S TOTAL MEDICAL COSTS

SECT. 5 – ATT. 17C SURVIVOR'S TOTAL MEDICAL COSTS - PREMIUM ESTIMATE C

SECT. 5 – ATT. 18 MEDICARE PART D COSTS/MONTH

SECT. 5 – ATT. 19 LUCENT PART D RX COST CALCULATOR

SECT. 5 - ATT. 20 EVIDENCE OF COVERAGE

5.1 - MEDICAL BENEFITS

5.1.1 MEDICAL CLAIMS

The Alcatel-Lucent medical plan is secondary insurance to Medicare. After a claim has been processed by Medicare, it is sent to UnitedHealthcare for additional processing.

UnitedHealthcare
Alcatel-Lucent TRADITIONAL INDEMNITY PLAN
PO Box 740802
Atlanta, Ga. 30374-0802
1-800-577-8567

WWW.MYUHC.COM

We have the Traditional Indemnity Plan. A summary of covered services entitled 2008 Benefits- At-a-Glance – Management Retirees is attached as Sect. 5 –ATT. 1 - 2008 BENEFITS AT-A-GLANCE. The summary shows deductibles, maximum out-of pocket expenses, and coverage for specific features, such as office visits, etc.

This information can also be found on the following website:

http://resources.hewitt.com/alcatel-lucent

You can also view newly revised summary plan descriptions, get life insurance beneficiary designation forms, and learn more about your Alcatel-Lucent benefits on the same web site as above:

http://resources.hewitt.com/alcatel-lucent

They are currently in the process of updating the SPDs.(Summary Plan Descriptions). The latest versions are posted, and you can review the Benefits At-a-Glance chart and Annual Open Enrollment News in the Archives for your plan's most recent benefit changes (2007).

The prescription information in the 2007 issue is very different than that for 2008, since the prescription plan has been changed to the Medicare Part D Prescription Plan.

If you have any questions about your benefits, you can call the Alcatel-Lucent Benefits Center at 1-888-232-4111. Representatives are available from 9:00 a.m. to 5:00 p.m., Eastern Time (ET), Monday through Friday.

5.1.2 Family Security Plan

Upon the death of the employee, many of the benefits, which the employee (and spouse) had, will be continued for the spouse under the Family Security Plan. The Family Security Plan is administered by UnitedHealthCare.

Following the employee's death, health insurance will continue at Alcatel-Lucent expense until last day of the 6th full month after death. It will then be under the survivor's name and SS#. Under the current medical plan, the employee and spouse have different account and ID numbers under the Medco Medicare Prescription Plan.

The dental plan (under Cobra) can be kept for 3 years provided you have the dental plan at the time of death. I cancelled the dental plan for 2007 due to the cost of the dental insurance and the lack of benefits received under the plan.

The Benefits Center will advise COBRA to send you the proper forms to continue your medical insurance, if you wish to. You will be offered a plan called the Family Security Plan. You can continue to keep the Family Security Plan as long as you like, as long as you continue to submit the monthly payment, which was quoted at $299.25 on 4/16/2007. I called again on 12/17/2007, and the representative said that they would only give the info at the time when the survivor called. She did, however, say that the $299.25 quoted in April would be about the expected cost in 2008. After hearing that a recent survivor was quoted a premium price of approximately $175/month, I called again on 2/22/2008 to obtain a premium price. I was told again that they would not provide a cost unless a survivor was seeking a premium cost. They did, however indicate that for 2008 the premium would be somewhere between $150.00 and $300.00/month.For purposes of the following exercise, a comparison was made of the Lucent Plan expenses with a number of other company Medigap insurance plans using both the $150.00 and $300.00 as the cost of the Lucent Medical Plan.

SECT. 5 -ATT. 2 - TABLE OF CONTENTS – MEDICAL PLAN shows the Table of Contents for the Medical Expense Plan, and can also be found on the following website:

http://resources.hewitt.com/alcatel-lucent

5.1.3 Medical Plan Costs

As mentioned above, the medical costs portion of our medical benefits has remained essentially the same in 2008. There is no premium if the employee retired prior to March 1, 1990 (I retired on 12/31/1989). The Out-Of- Pocket (OOP) cost per employee and their spouse has remained the same in 2008 at $1500.00 each. For people who retired after March 1, 1990, there is a premium cost, and the OOP cost has changed to $1800.00 each.

The cost of the prescription program is included in the premium, if any, as mentioned above. The Prescription Drug Program will be discussed in more detail in a later section (5.2).

Spouse Medical Costs

See SECT. 5 –ATT. 3 - SPOUSE MEDICAL COSTS and SECT. 5 – ATT. 3C SPOUSE MEDICAL COSTS –PREMIUM ESTIMATE C for a description of the maximum medical costs for a spouse, both as a family member, and as a survivor. Any attachment with a ”C” notation uses the lower premium cost estimate of $150.00/month. Those attachments without the “C” use the higher estimate of $300.00/month.

2007 Costs- Spouse

There was a $1,500 Out-of-Pocket maximum per year for the medical costs as a spouse. In addition, the maximum OOP prescription cost was also $1500.00, and the total OOP cost for a spouse in 2007 was $3000.00.

See ATT. 4B. – MP 2007/AVERAGE DOCTOR COSTS (GENERIC ISSUE). My spouse’s total billing for medical costs (doctors, etc.) in 2007 was $3342.00. Medicare approved $924.98 and paid $656.05, and her co-pay was $265.93. The average cost over the years 2001-2007 was $574.72, with a range of $205.57 to $1201.71. A single hospital stay under the current plan would surely result in meeting the $1500.00 OOP maximum.

2008 Costs - Spouse

As a family member, the spouse would continue to have a maximum Out Of Pocket (OOP) medical expense of $1500/year in 2008.

However the prescription costs for 2008 will be considerably higher. Prescription costs are now covered under a new Medicare Part D Prescription plan. Prescription costs are covered in a following section. (See Section 5.2)

Survivor Costs

However, if the retiree were to pass, the spouse's medical costs would increase dramatically. The spouse would now be required to pay a monthly premium of $300.00/month, or $3600.00/year at, the higher premium cost, and $150.00/month, or $1800.00/year at the lower premium cost. In addition, under the Lucent plan, the spouse would pay up to a maximum $1500.00/year in out of pocket (OOP) costs. The current maximum OOP cost of $1500/year would increase to a total annual cost of between $3600.00-$5100.00/year as seen on ATT. 3 – SPOUSE MEDICAL COSTS, or between $1800.00 and $3300.00 as seen on SECT. 5 – ATT. 3C SPOUSE MEDICAL COSTS –PREMIUM ESTIMATE C

The above cost is for the medical (doctors, medical tests, etc.) portion only, and her estimated prescription costs of about $4300.00, would have to be added, resulting in a total annual cost of between $7500.00 and $9000.00. (See the following section, 5.2 for the estimate of prescription costs).

5.1.4 Medical Cost Review

As a result of the considerable total cost increase the survivor would face, a review was made of both alternate MEDIGAP insurance plans and Medicare Part D Prescription Plans. Under the current Alcatel-Lucent medical plan rules, you can not continue in the plan if you choose to obtain either a new Medigap Plan or a new Part D Plan.

Section 5.1 includes only the medical cost portion. (See the following section, 5.2 B for a discussion on the estimate of prescription costs).

5.1.5 Medigap Insurance

The information contained in this analysis was obtained from 3 web sites, the 2 Medicare websites:

http://www.medicare.gov/MPPF,
http://www.medicare.gov/Publications/Pubs/pdf/02110.pdf

and the Indiana Department of Insurance website,

http://www.in.gov/idoi/shiip/supcompany.html.

Medicare Web Site

A general discussion on Medicare Medigap (Supplement Program) plans can be found on following Medicare web site. It will take you to a booklet, "2008 Choosing a Medigap Policy".

http://www.medicare.gov/Publications/Pubs/pdf/02110.pdf

ATT. 5 – MEDIGAP POLICY COVERAGE, is a copy of page 9 which describes what each of the Medigap plans (A –J) covers.

Find & Compare Medigap Policies

The Medigap (Medicare Supplement Insurance) Policy Search on the Medicare website (http://www.medicare.gov/MPPF) gives information on Medigap policies in your area, and the companies that offer them. This information is obtained by the following procedure:

Go to the Medicare website: http://www.medicare.gov/MPPF

Step 1

Click on "Find and Compare Medigap Policies". After completing Step 1, I recommend completing the age and health section, as that will provide an estimate by Medicare of your annual medical expenses on the table in the next window – Step 2).

Step 2

Step 2, - "Review Available Medigap Policies" shows a Policy Summary for each Medigap Policy Type (A – J); a range of monthly premiums; and a summary of the benefits for each Policy Type. It also includes the estimate of annual medical cost mentioned above in Step 1.

(See ATT. 6 – REVIEW AVAILABLE MEDIGAP POLICIES)

5.1.6 - Medigap Policy Type F

To obtain more details on the various Medigap policy types, you can click on "View Details" for each of the policy types shown on ATT. 6. I was already predisposed to Medigap Policy Type F as a result of discussions with people who had Medigap policies, and also the details of Medigap Type F which are shown on ATT. 7 –MEDIGAP POLICY F DETAILS.

When I compared Plan F to the Lucent benefits noted on the Benefits At-a-Glance document provided during the Enrollment Period, the only differences I noted dealt with at- home recovery and Hospice Care.

In the case of at-home recovery, the Lucent plan pays 80% after the deductible is satisfied, limited to 210 days/lifetime. Plan F does pay for any Medicare-approved services, both skilled care services and medical supplies, and Durable Medical Equipment which is not paid for by Medicare Parts A & B. It does not cover visits to assist you with activities of daily living recovery from an illness, injury, or surgery. Plan J would pay up to $40/visit up to an annual maximum of $1600.00. I'm not completely clear as to what Lucent includes in their plan.

In the case of Hospice care, Lucent pays 80 % after the deductible is satisfied, limited to 210 days/lifetime. Medicare Part A pays for the majority of hospice care such as 100% for hospice care; all but $5.00 for prescription drugs; and 95% for inpatient respite care. All you would have to pay under Plan F is a $5 co-payment for prescription drugs and the remaining 5% for respite care

At this point you should determine which Medigap Policy Type you would prefer to purchase. The author of this document selected Policy Type F based on the above, and also on the following analysis.

5.1.7 - Medigap Plan F Costs

When you click on "View All Companies" under "Where To Buy Policy" on ATT. 7 –MEDIGAP POLICY F DETAILS, the next window, ATT. 8 – REVIEW COMPANIES THAT OFFER POLICY F, shows all of the companies in your area that sell Medigap F policies.

The summary also indicates how the prices are set for each policy. How prices are set is important since the Medigap policy's future price may change depending on the way the price was set for the particular policy. The price setting types are Community- rated; Issue Age – rated; and Attained age -rated.

(See ATT. 9 – SETTING MEDIGAP POLICy PRICES for definitions of each type).

When you click on one of the companies shown on ATT. 8, the next window will show the information on that company. This may include the price of each plan type. Not every company included the prices on their web sites. Most of them make reference to calling an agent to obtain the information.

ATT. 8B - HUMANA PLAN DETAILS is a sample of the data available for each of the companies shown on ATT. 8 (See ATT. 8 – REVIEW COMPANIES THAT OFFER POLICY F).

I found that the Indiana insurance web site provided some of the prices not show on the Medicare company sites.

http://www.in.gov/idoi/shiip/supcompany.html

5.1.8 - Medigap Cost Summary

See ATT. 10 – ANNUAL MEDIGAP COST COMPARISON and SECT. 5 – ATT. 10C MEDIGAP ANNUAL COST COMPARISON - PREMIUM ESTIMATE C for a comparison of costs between Lucent and Medigap F policies for several companies I selected based on my knowledge from people who have Medigap insurance, and from those companies I was familiar with. As can be seen from the summary, the annual costs of the Medigap policies varied considerably, from approximately $2200.00 to $3200.00.

The Lucent plan annual costs vary from $3600.00 to $5100.00 at the $300 premium cost and between $1800.00 and $3300.00 at the $150.00 premium price. Even within a particular company, there may be both a preferred and a standard cost, as with AARP and Humana. An agent would advise you as to which category you would fall base on your medical history.

As can be seen from the summaries, the total annual cost for the Lucent (survivor) medical plan exceeds the cost of all of the other Medigap plans by about $500.00 and $2000.00, depending on the premium price.

This is mainly due to the addition of the premiums of $1500.00 and $300/month, and the fact that there is also a $1500 maximum annual OOP provision. With the Medigap plans, essentially all of the OOP costs would be covered.

This would indicate that it may be most economical for the survivor to convert to a Medigap plan after the 6 month period paid by Lucent, depending on the quotedLucent premium price.

CREDITABLE COVERAGE

Be sure to retain your Certificate of Group Health Plan statement dated 12/10/2007. This certificate is evidence of you coverage under the Alcatel-Lucent group health plan. Under a federal law known as HIPAA, you may need evidence of you coverage to reduce a preexisting condition exclusion period under another plan, to help you get special enrollment in another plan, or to get certain types of individual health coverage even if you have health problems.
Note: A similar credible coverage certificate may also be needed to enroll in a different Part D prescription plan. See Section 5.2.13.

INDIANA DEPARTMENT OF INSURANCE INFORMATION

The following information on the State Department Of Insurance has been included for informational purposes.

Indiana Department Of Insurance Web Site
(Each state has a corresponding agency)

http://www.in.gov/idoi/shiip/supcompany.html

Companies that sell supplement insurance in Indiana

Companies must be approved by the Indiana Department of Insurance in order to sell Medicare Supplement policies. All of the companies listed have been approved by the state.

To make it easier for you to compare one Medicare Supplement policy to another, Indiana allows 10 standard plans to be sold. The plans are labeled with a letter, A through J. Not all companies sell all 10 plans. Following each company name and phone number, they have listed the Medicare Supplement plans sold by that company.

Information on the web site is provided by SHIP. The State Health Insurance Assistance Program (SHIP) is part of a federal network of State Health Insurance Assistance Programs located in every state. SHIP is a non-profit organization designed to provide an unbiased place for seniors and pre-retirees to find answers to their health insurance questions. All their services are free.

In Indiana, SHIP is sponsored by the Centers of Medicare and Medicaid Services (the federal agency which administers Medicare) and the Indiana Department of Insurance. SHIP is not affiliated with any insurance company or agency, and does not sell insurance.

SHIP is staffed by a crew of volunteer counselors who have completed an intensive 4-day training course and are certified by the Indiana State Department of Insurance.

Standard Medicare Supplement Coverage

To make it easier for you to compare one Medicare Supplement policy to another, Indiana allows 10 standard plans to be sold. The plans are labeled with a letter, A through J. Plan A is the basic benefit package and Plan J is the most comprehensive.

These 10 plans are standardized, which means that benefits will be the same no matter which company sells the policy to you. Plan D from one company is the same as Plan D from another company. Since Medicare Supplement policies are standardized, you are free to shop for the company with the best price and customer service.

Generally, Medicare Supplement policies pay most, if not all, Medicare co-payment amounts, and policies may pay Medicare deductible amounts. Also, some of the 10 standard plans (Plan J) pay for services not covered by Medicare, such as prescriptions.

Although the benefits are the same for each standard plan, the premiums may vary greatly. Before purchasing a supplement policy, determine how the company calculates its premiums. An insurance company can calculate premiums one of three ways:

Issue Age: If you were 65 when you bought the policy, you will pay the same premium the company charges people who are 65 regardless of your age.

Attained Age: The premium is based on your current age and will increase as you grow older.

No Age Rating (Community rated): Everyone pays the same premium regardless of age.

(See ATT. 8 - Medigap Price Setting)

The Indiana Department of Insurance must approve premium rates for all Medicare Supplement policies.

You can compare the costs of the various types of plans, as well as the prices for each of the approved providers for each of the plans by using the Indiana Department of Insurance - Premium Comparison Tool

You must provide the following information and click 'Submit'. You will then receive a list of estimated yearly premiums customized to your demographic information. You may also click on the company name to receive the premium history and other important aspects of the policy.

Criteria

Age_
Gender_ Male or Female
Use Tobacco_ Yes or No
Select a Plan_ Select Plan -------- ((Plan A Plan A (Medicare Select) Plan B Plan B (Medicare Select) Plan C Plan C (Medicare Select) Plan D Plan D (Medicare Select) Plan E Plan E (Medicare Select) Plan F Plan F (Medicare

Select) Plan F+ Plan G Plan G (Medicare Select) Plan H Plan H (Medicare Select) Plan I Plan I (Medicare Select) Plan J Plan J (Medicare Select) Plan J+))

MEDICARE PART D PRESCRIPTION PLAN

5.2 - PRESCRIPTION DRUG PROGRAM:

The prescription drug plan is also covered under the Family Security Plan and is currently managed by Medco under the Medco Medicare Prescription Plan for Alcatel-Lucent, effective 1/1/2008.

Medco Medicare Prescription Plan
Medco Health Solutions, Inc.
P.O. Box 630246
Irving, TX 75063-0115

Website www.medco.com
Customer Service 1-800-230-0512

5.2.1 - MEDCO MEDICARE PRESCRIPTION PLAN

Following the employee's death, the prescription drug plan will also continue at Lucent expense until last day of 6 full months after death. Health insurance will continue in the employee's name until last day of the month of death. It will then be under the survivor's name and SS#. Under the Medco Medicare Prescription Plan, the employee and spouse have different accounts and ID numbers. This information is shown on your member ID card.

Short-term Prescriptions

Short-term prescriptions should be ordered locally at an approved local pharmacy such as CVS. (Call Medco Health at the above number for approved pharmacies). You can get up to a 34 days supply. Drugs must be included on the Medco Standard Medicare Part D formulary. Tier 1 (Generic) drugs are $10.00 co-payment; Tier 2 (Plan-preferred brand name) drugs are $25.00; Tier 3 (Non-plan preferred brand-name) drugs are $45.00; and Tier 4 (Specialty drugs with average costs of more $500.00/month, or where a brand name has been prescribed and a generic is available, or a less expensive drug is available for the same condition) are $90.00. Always ask the doctor to prescribe that a drug can be substituted for since generic drugs are less costly.

The current formulary can be found on the MedcoHealth web site at www.medcoonline.com, or by calling MedcoHealth Member Services at 1-800-336-5934. The current formulary is also listed in the "Your Guide to Plan Benefits "sent to you by Medco.

Long-term (Maintenance) Prescriptions

Maintenance medications used on a regular basis should be ordered through the mail pharmacy for a 3 months supply. The costs for a 3 month supply is normally less expensive than if you order 3 one month supplies of a particular drug. Normally you only pay a cost equivalent to a 2 month supply at a retail pharmacy.

Drugs must be included on the Medco Standard Medicare Part D formulary. Tier 1 (Generic) drugs are $20.00 co-payment; Tier 2 (Plan-preferred brand name) drugs are $50.00; Tier 3 (Non-plan preferred brand-name) drugs are $90.00; and Tier 4 (Specialty drugs with average costs of more than $500/month) drugs are $120.00 co-pay. The doctor should write the RX for a 90 day supply, with 3 refills. Our credit card is on file, and the number does not have to be put on the order form.

When the order is delivered, the medications will be charged to your Visa account, and refill & renewal info will be included with the order. The info will show how many refills remain, and the date when it can be reordered, as well as an order slip and an order form.

Prescriptions can also be ordered over the phone at 1-800-230-0512 and the Internet at:

www.medco.com.

5.2.2 - Medco Medicare Prescription Plan Details

We recently received the following 3 booklets:

Your Guide to Plan Benefits
Evidence of Coverage
Pharmacy Directory

These booklets provide information in great detail on the Medco Medicare Prescription Plan.

I've extracted information from these booklets, which I believe would assist you in obtaining basic information regarding the plan. Go to these booklets to get the detailed information on the plan.

Your Guide to Plan Benefits

This booklet contains the following sections:

Introduction
Benefit Offerings
Formulary

The **Benefit Offerings** section describes the prescription costs for both in-network and out-of-network for preferred pharmacies and gives the co-pays for the 4 stages of coverage. (Deductible, Initial Coverage, Coverage Gap, and Catastrophic Coverage)

These co-pay costs are discussed in paragraph 5.2.5 – Subscriber Costs

2008 Formulary

The formulary contains information about the drugs covered by the plan. It provides information on each covered drug, such as restrictions for certain drugs, and exceptions. It also lists the drug tier for each drug, which determines the amount of co-pay for that drug.

You can find your drugs in two ways within the formulary. They are listed by Medical Condition, and by Alphabetical listing

Evidence of Coverage

The Evidence Of Coverage document contains the following information:

Table of Contents

The Pharmacy Directory

The Pharmacy Directory provides the current list of the plan's retail and mail order network pharmacies. Once you go to one pharmacy, you are not required to continue to go to the same pharmacy; you can go to any of the network pharmacies.

5.2.3 - Ordering Prescriptions

Retail

To fill your prescription, you must show your Plan membership card at one of the network pharmacies. If you don't have your membership card with you when you fill your prescription, you may have the pharmacy call the Pharmacy Services Help Desk at 1-800-922-1557 to obtain the necessary information to pay the full cost of the prescription (rather than paying just your co-payment or coinsurance). If this happens, you can ask Medco to reimburse you for their share of the cost by submitting a claim to Medco.

To learn how to submit a paper claim, refer to the paper claims process described in the "Evidence Of Coverage" document subsection called "How do you submit a paper claim?" on page 11 of Section 2.

Mail Order

MAIL-ORDER PHARMACY SERVICES

You may use the network mail-order pharmacies to fill prescriptions for "maintenance drugs." These are drugs that you take on a regular basis for a chronic or long-term medical condition. You may order a 90 day supply.

Generally, it takes us 3 to 5 days to process your order and ship it to you. However, sometimes your mail order may be delayed. Make sure you have at least a 14-day supply of that medication on hand. If you don't have enough, ask your doctor to give you a second prescription for a 30-day supply, and fill it at a retail network pharmacy while you wait for your mail-order supply to arrive. If your mail-order shipment is delayed, call Customer Service at 1-800-230-0512.

You aren't required to use the Medco mail-order services to get an extended supply of maintenance medications. You can also get an extended supply through some retail network pharmacies. Some retail pharmacies may agree to

accept the mail-order co-payment or coinsurance for an extended supply of medications, for which you may not have to pay additional costs. Other retail pharmacies may provide an extended supply, but charge a higher co-payment or coinsurance than our mail-order services. Call Customer Service at 1-800-230-0512, or look in your Pharmacy Directory to find out which retail pharmacies offer an extended supply.

5.2.4 - Medicare Part D Benefit Offerings

Benefit Stages

Stage 1: Deductible

You are responsible for the total cost of your covered medications/prescriptions until your total medication/prescription costs reach $275.00.

Stage 2: Initial Coverage

While in this stage, you are responsible to pay a portion of your total medication/prescription costs until your total medication/prescription costs reach $2,510.00.

Stage 3: Coverage Gap

When your total medication/prescription costs reach $2,510.01, you will pay 100% of your total medication costs until your total out of pocket costs reach $4,050.00.

Stage 4: Catastrophic

When your total out of pocket costs reach $4,050.00, you are now eligible for the catastrophic coverage for any additional covered medication/prescription costs. You are also subject to a co-payment as defined by your plan.

BENEFIT STAGE DEFINITIONS

Medicare Part D Deductible

For all drugs, you will pay 100% of the cost of the drug, until you exceed $275.00.

Out-of-Pocket Costs for covered Medicare Part D Prescriptions

Your out-of-pocket costs for covered Medicare Part D prescriptions include any applicable deductibles and co-payments for covered Medicare Part D prescriptions. They do not include your monthly premium or any amount that your employer or plan sponsor contributes. Out-of-pocket costs for covered Medicare Part D prescriptions

are used to determine when you will move into the catastrophic coverage stage of your benefit.

Total Amount Spent for covered Medicare Part D Prescriptions

The total amount spent for covered Medicare Part D prescriptions is the total amount that has been spent on your prescriptions for a year. It includes the total cost of covered Medicare Part D prescriptions including the amount the plan pays, any applicable deductible, and other out-of-pocket costs. It does not include your monthly premium, if any.

5.2.5 - Subscriber Costs

Deductible

This the amount that must be paid each year before Medco begins paying for part of your drug costs. After you meet the deductible, you will reach the initial coverage period.

You will pay a yearly deductible of $275.

Initial Coverage Period

Once your total drug costs reach $2.510, you will reach your initial coverage limit. Your initial coverage limit is calculated by adding payments made by the Plan and you. If other individuals, organizations, current or former employer/union, and another insurance plan or policy help pay for your drugs under this Plan, the amount they spend may count toward your initial coverage limit.

You pay the amounts shown in the above table for your prescription drugs during the Initial Coverage Period.

Drug Tier	Retail Co-payment (up to a 34 day supply)	Retail Co-payment (up to a 90-day supply)	Mail Order Co-payment (up to a 90 day supply
Generics (Tier 1)	$10/00 Co-payment	$30.00 co-payment	$20.00 co-payment
Preferred brand name (Tier 2)	$25.00 co-payment	$75.00 co-payment	$50.00 co-payment
Non-preferred brand name (Tier 3)	$45.00 co-payment	$135.00 copayment	$90.00 co-payment
Specialty (Tier 4)	$60.00 co-payment	$180.00 co-payment	$120.00 co-payment

Coverage Gap

After your total drug costs reach $2,510, you will pay 100% for your drugs until your total out-of-pocket costs reach $4,050. Once your total out-of-pocket costs reach $4,050, you will qualify for catastrophic coverage.

Catastrophic Coverage (Commonly called the ”Doughnut Hole”)

All Medicare prescription drug plans include catastrophic coverage for people with high drug costs.

In order to qualify for catastrophic coverage, you must spend $4,050 out of pocket for the year. When the total amount you have paid toward your deductible, co-payments, and the cost for covered Part D drugs after you reach the initial coverage limit, reaches $4,050, you will qualify for catastrophic coverage. During catastrophic coverage, you will pay: the greater of $2.25 or 5% coinsurance for generics, and the greater of $5.60 or 5% coinsurance for brand-name drugs.

5.2.6 - Survivor Prescription Costs

Alcatel-Lucent Prescription Costs

As covered previously in the Medical Costs section 5.1, I reviewed the medical (doctor, etc.) costs for a spouse covered in 2007 under the old medical plan; as a spouse in 2008 under the new medical plan; and as a survivor under the new medical plan. See ATT. 10 – MEDIGAP ANNUAL COST COMPARISON and SECT. 5 – ATT. 10C MEDIGAP ANNUAL COST COMPARISON - PREMIUM ESTIMATE C

As shown, it appeared that it may be more economical for a survivor to convert to a Medigap Plan, depending on the Lucent premium price. As mentioned previously, you can not convert either your medical plan or prescription plan to another Medigap or Medicare Part D Prescription Plan, plan, without losing the other plan.

As a result, since I had decided that it might be economical to convert to a Medigap plan, I also reviewed other Medicare Part D Prescription plans. Included in the analysis was a review of my spouse's prescription costs in 2007. Under the plan in 2007, there was a maximum OOP cost of $1500.00, which was met. The total actual price of the drugs ordered during the year was $5215.00. The actual drug price would actually be higher since some of the drugs taken in 2007 had already been ordered on a quarterly basis at the end of 2006.

Under the new Lucent Medicare Part D Plan for 2008, the estimated OOP cost based on continuing ordering the current medications 90 days after the last order for those medications ordered in 2007 would be $4085.32, with the actual cost of the drugs being $7188.17.
(See ATT. 11B – EST. PART D MED COSTS (QUARTERLY) (GENERIC)

I also estimated the prescription costs by assuming that all of the drugs were purchased at one time in the 1st month, and then again in each of the following 11 months. This was done so I could make a direct comparison to the drug costs listed under the other company Medicare Part D Plans, which gave drug prices/month. In this case, the OOP cost was $4202.29 and the actual price of drugs was $8061.00.
(See ATT. 12B –EST PART D MED COSTS (MONTHLY) (GENERIC)

5.2.7 - Other Medicare Part D Prescription Plans

A review was also made of other Medicare Part D plans. The information contained in this analysis was obtained from a Medicare website.

http://www.medicare.gov/medicarereform/drugbenefit.asp

Use the following procedure to obtain the prescription costs for companies you are interested in as Medicare Plan D Prescription Plan providers.

Enter the above web site:
http://www.medicare.gov/medicarereform/drugbenefit.asp

In the first window to open, click on “Medicare Prescription Drug Plans-2008Plan Data”

On the next window, “ Find And Compare Plans That Cover Drugs”, click on “Find And Compare Drugs”

On the next window, “STEP 1 SELECT A SEARCH OPTION”, click on “Begin Personalized Search”

On the next window, “STEP 2 ENTER YOUR MEDICAL INSURANCE INFORMATION”, complete the information asked for and then click “Continue”

On the next window, “STEP 3 REVIEW CURRENT COVERAGE AND CONSIDER OPTIONS”, click “Continue”

On the next window, “DECIDE IF YOU WANT TO GET DRUG COSTS FOR YOUR PLAN”, click either the option “Enter My Drugs” or the option “Retrieve Drug List” if you had previously had entered your drugs, and now want to make changes.

At this time you should enter your drug list with drug strengths and frequencies.

Remember to record the Drug List ID# and the password date in order to be able to retrieve the data at a latter time.

After entering your drugs, click “ TO OBTAIN YOUR PERSONALIZED PLAN LIST”.

SEE ATT. 13 A– YOUR PERSONALIZED PLAN LIST.

ATT.13A WILL NOT BE INCLUDED IN THE GENERIC ISSUE DUE TO PRIVACY ISSUES (DRUG LIST). ATT. 13B – REVIEW LIST OF PLANS IN YOUR AREA (GENERIC) IS INCLUDED

YOUR PERSONALIZED PLAN LIST includes a listing of all the Medicare Prescription Part D Plans in you zip code.

It shows the following details:

Plan Name and ID#
Estimated Annual Cost
Monthly Drug Premium
Annual Deduction
Coverage Gap

It also includes a "My Drugs" and a "Pharmacy List". The "My Drugs" includes the name of the drug and strength, and the quantity/days supply ordered. The "Pharmacy List" shows a list of your selected pharmacies.

If you click on any of the Plan Names on the Personalized Plan List, you will open another window, PLAN DRUG DETAILS –(PROVIDER NAME YOU SELECTED).

See ATT.14A – PLAN DRUG DETAILS – HUMANA

ATT.14A WILL NOT BE INCLUDED IN THE GENERIC ISSUE DUE TO PRIVACY ISSUES (DRUG LIST). ATT. 14B – REVIEW PLAN DETAILS (HUMANA) IS INCLUDED.

The "PLAN DRUG DETAILS" window will provide cost data for that company's plan, which includes the following information:

Fixed Costs – Premium and Annual Deductible
Annual Drug Costs – Retail & Mail Order
Plan Ratings – No. of Stars for Service Categories
Drug Coverage Information – Formulary Tier & Restrictions for each drug
Monthly Drug Cost Details at Local Pharmacy (CVS)– Full Cost Of Drug And Cost at Each Stage. If the drug is not on their formulary, it shows the cost of that drug for each of the stages.
Total Monthly Cost Estimator for CVS Pharmacy (You can select the Pharmacy of your choice). The estimator also gives a bar graph estimating your monthly prescription costs.

You can also compare up to 3 plans by selecting "Find and Compare Plans" and then "Compare Plan Benefits".

You can also click on "View plan ratings in a new browser window" on ATT. 13 to obtain Drug Plan Ratings showing ratings for 3 different categories of service for

each of the companies. This may assist you in selecting the Plan you would like to sign up on. See ATT.15 – DRUG PLAN RATINGS (GENERIC)

5.2.8 - MEDICARE PART D PRESCRIPTION SURVIVOR COSTS

ATT. 16A – MEDICARE PART D MONTHLY COST COMPARISON is a summary of the Medicare Part D Costs/Month for the 5 plans that I compared. The Medco Medicare data was not available on the Medicare website, but was generated from the drug prices from the Medco Plan as described in section 5.2.6. See ATT. 12A –EST PART D MED COSTS (MONTHLY)

As can be seen, the monthly costs vary quite a bit. This is due in part to the following factors:

The drug prices are different for each plan.
Some plans have deductibles, while others do not.
The drug tiers are not the same for each plan.
A drug was not available in a particular plan, resulting in higher co-pays In some stages.

The data on ATT. 16A shows the following information for each of the selected plans:

- Drug Tier
- Co-pay for each medication for each of the 4 stages
- Monthly premium
- Annual drug costs for each of the following:
  - Subscriber
  - Provider
  - Total drug prices
  - Premium
- Total Annul Costs

NOTE: ATT.16A WILL NOT BE INCLUDED IN THE GENERIC ISSUE DUE TO A PRIVACY ISSUE. THE GENERIC VERSION. ATT. 16B – MEDICARE PART D MONTHLY COST COMPARISON (GENERIC) IS INCLUDED IN THE GENERIC VERSION.

5.2.9 - Total Survivor Costs

The Table previously shown in ATT. 10 (See 5.1.8) associated with Survivor Costs in the section on Medical Plan Costs can now be modified to include prescription costs as well. (SEE ATT. 17 – MARION TOTAL MEDICAL COSTS and SECT. 5 – ATT. 17C SURVIVOR'S TOTAL MEDICAL COSTS - PREMIUM ESTIMATE C).

As seen on ATTACHMENTS 17, the total annual costs for a survivor under the Alcatel-Lucent medical plan of $7500.00 to $9302.29 (based on the Lucent premium price) can be either similar, or much higher than the total costs for any of the other plans listed, which fall in the range of $6925.85 to $7747.85.

Based on the above, it may be more economical to switch from the Lucent Traditional Indemnity Plan to one of the Medigap plans, and also to a different Medicare Part D Prescription Plan. If the difference in total cost was large, I personally would select the Humana plan based on the analysis I conducted. The prices shown in the attachments in this document are based on your current medication list, as well as 2008 drug prices. In order to select an alternate provider in the future, the analysis included in this Survivor Document should be conducted again in subsequent years to take into account medication changes and updated premiums and drug prices, etc.

You don't have to take both the Medigap plan ant the Part D Prescription Plan for the same provider. Recall that under the Lucent plan, if you switch from either plan to another provider plan, you would also be dropped from the other plan.

You can also "mix and match" the plans, and select the lowest cost plan from each category. In my analysis, the Humana Preferred Plan had both the lowest Medigap and Part D annual costs. In any case, from a service standpoint. It most likely would be best to select a specific provider, and get both plans from them.

When you use the Medicare web site to compare the various providers in you area, the data for each provider provides the premium, the cost price for each of your medications, and the total annual costs for the medication list you provided. This was discussed previously in the above section 5.2.7.

In addition, the data shows a bar graph depicting an estimate of your monthly drug costs, including any premiums for the plan. The information is based on the drugs and/or pharmacy you selected. The actual cost may vary if you change any of the drugs or pharmacy. A customer service rating is also provided. The monthly cost data shown on the bar graph would assist you in establishing a budget for your monthly medical costs.

5.2.10 MEDICARE PART D COSTS/MONTH

ATT. 18 –MEDICARE PART D COSTS/MONTH shows the cost/month, the premium, and the total annual cost for each of the providers I reviewed. The attachment also includes service ratings for each provider. ATT. 18 shows that there is no premium for the Medco Part D Prescription Plan. As shown on ATT. 17, the Lucent Part D premium cost is included in the Medical portion, which has a premium of either $1500.00 of $300.00/month.

The monthly costs for the selected Medicare Part D Prescription Plan providers varies during the early stages (Deductible and Initial Coverage) mainly due to the fact that some of the plans have deductibles while some do not. In addition, in some cases where a specific drug is not on the formulary, you may have to pay the entire drug price instead of a co-pay, both during the Initial Coverage and the Catastrophic stages. This was especially true for the Anthem plan.

5.2.11 LUCENT PART D RX COST CALCULATOR

See ATT. 19 - LUCENT PART D RX COST CALCULATOR

I previously sent out a Cost Calculator which can be used to estimate your annual Medicare Part D prescription costs. That chart has been updated to incorporate the prescription costs in the various stages (Deductible, etc). My calculations determined that in order to meet the requirements of stage 3 ($2510 Total OOP, from Stages 1 and 2, to the $4050 OOP Total), the total medication price would be have to be $5726.25

The data from ATT. 12 A - EST. 2008 PART D MEDICARE (MONTHLY) was used in setting up the levels in the chart. I used the following criteria established by Lucent.:

Stage 1: $275.00 Deductible

Stage 2: Co-pays/month per drug
(The Chart uses a 25% co-pay (to standardize the chart) from $275.01 OOP to $2510.00 TOTAL PRICE.

Stage 3: (Doughnut Hole) Co-payment is price of medication from $2510 Total to $4050 OOP.

Stage 4: Uses a co-pay of 5% of the drug price.
(The Lucent plan uses $2.25 or 5%, which ever is greater for generic drugs, and $5.50 or 5%, whichever is greater, for brand name drugs).

Using the above criteria, and drug co-pays and prices from the Medco web site in ATT. 12, the total estimated annual cost of the spouse's medications was $4202.29 and the total drug prices were $8061.55.

When the $8061.25 total medication price is specified in the chart in ATT.19, the estimated amount that the spouse would pay was $4166.77. As can be seen, this cost estimate is extremely close to the cost of $$4202.29 shown above on ATT. 15.

It appears that if you can estimate your drug prices from the prior year, you can use the tool in ATT. 19 to estimate what your prescription costs will be in the current year.

There will probably be medication and price changes from one year to another, and that would affect the estimate.

5.2.11 - Savings Tips

1. A large number of generic medications are available from Wal*Mart under their $4.00 Prescription Program. These generic drugs cost $4.00/month. Under the Medco Part D Prescription Plan they would be Tier 1 medications and cost $10.00/month co-pay retail and $20.00/90 days co-pay mail order. In addition, their costs/prices would not included in our deductibles, etc. and may keep you from reaching the doughnut hole.

The list is available on their web site: www.walmart.com.

2. If you are taking medications such as eye drops and inhalers, you should compare the monthly retail co-pays to the 90 day mail order co-pays. For example, I take a Tier 2 eye medication for which a single 5cc bottle will normally last for 90 days. If I order through mail order, I would pay $50.00 co-pay, but if I order it retail, the single bottle would cost only $20.00 co-pay, for a savings of $30.00 per quarter.

3. Meijer's pharmacy provides a number of antibiotics FREE, especially those normally prescribed for children.

4. Make sure that your doctor indicates that your medication may be substituted for. In that case Medco will substitute a generic drug for the brand drug, at a much lower price.

5. A large number of generic medications have recently been made available from the Kroeger pharmacy under their $4.00 Prescription Program. These generic drugs cost $4.00/month. Under the Medco Part D Prescription Plan they would be Tier 1 medications and cost $10.00/month co-pay retail and $20.00/90

days co-pay mail order. I found 5 drugs that I, or my wife take, and the Medco total monthly co-pay would be $50.00 ($101.00 price after the Initial stage) while the cost at Kroeger's would be only $20.00. In addition, their costs/prices would not be included in our deductibles, etc. and may keep you from reaching the doughnut hole.

The list is available on their web site: www.kroeger.com/generic

IF ANY OF YOU RETIREES FIND ANY OTHER SAVINGS TIPS, PLEASE LET ME KNOW, AND I WILL FORWARD THE INFORMATION TO THE OLDTIMERS.

5.2.12 - Other Important Information

I've extracted additional information from the Evidence Of Coverage document that I felt was important to emphasize in this document. The Evidence Of Coverage document is considered a contract between Medco and you, as noted below, from page 7 of the Evidence Of Coverage document sent to you.

The Evidence of Coverage, together with your enrollment form, riders, Annual Notice of Change (ANOC), formulary, and amendments that we may send to you, is our contract with you. It explains your rights, benefits, and responsibilities as a member of our Plan. The information in this Evidence of Coverage is in effect for the time period from January 1, 2008, through December 31, 2008.

This Evidence of Coverage will explain:
• What is covered by our Plan and what isn't covered.
• How to get your prescriptions filled, including some rules you must follow.
• What you will have to pay for your prescriptions.
• What to do if you are unhappy about something related to getting your prescriptions filled.
• How to leave our Plan.

See **ATT. 20 – OTHER IMPORTANT INFORMATION - EVIDENCE OF COVERAGE**

5.2.13 - Credibility Letter

Each year (prior to November 15), your employer or retiree group should provide a disclosure notice to you that indicates if your prescription drug coverage is creditable (coverage that is at least as good as standard Medicare prescription drug coverage and expects to pay, on average, at least as much as the Medicare standard prescription drug plan expects to pay) and the options available to you. You should keep the disclosure notices that you get each year in your personal

records to present to a Part D plan when you enroll to show that you have maintained creditable coverage. If you didn't get this disclosure notice, you may get a copy from the employer's or retiree group's benefits administrator or employer or union.

END OF SECTION 5

6. SOCIAL SECURITY

EXAMPLE	retiree	spouse
2008 Monthly Benefit	$1000 .40	$500.40
Medicare B Deduction (2008)	$96.40	$96.40
Deposited in bank	$940.00	$404.00

You must notify Social Security of death. The amount paid by Social security in the month of death must be returned to Social Security. For example, if person dies in July, the payment made on Aug 3 must be returned. Notify your bank of the death, and they will return check. The field office in Indianapolis as follows:

Room 617
575 N Pennsylvania St
Indianapolis IN
1-800-772-1213

You will receive the amount that the retiree was receiving from Social Security after his death.

Survivor will also receive a burial expense or $255.00 from Social Security.

8. LONG TERM INSURANCE

THINGS TO DO:

1. Cancel policy for deceased person by letter.
2. Decide whether you want to continue policy for yourself..

9. PRIVATE LIFE INSURANCE

THINGS TO DO:

1. Notify insurance company(s) of retiree's death. You will have to provide them with an original death certificate.

10. OTHER CONSIDERATIONS

THINGS TO DO:

1. See your attorney to make changes in Will, Power of Attorney, etc.

11. WEB SITES

The following web sites are a source of information in more detail for the survivor.

BTL OLDTIMERS

http://www.tobsupport.com/btloldtimers

Includes Old Timers Directory; Survivor Info (old version); Web Links

(Set Up By OLDTIMERS (Not a Lucent Document)

BENEFITS CENTER

www.resources.hewitt.com/lucent/

Includes Medical Plan Coverage Details; Benefits Manual
(Establish password)

MEDCO PRESCRIPTION DRUG PROGRAM

www.medco.com

Includes Order RX; Price Meds; Drug Information; RX History; RX Expenses

(Establish Password)

AETNA INSURANCE COMPANY - DENTAL PLAN

www.aetna.com

Includes info on Dental Plan

(Establish ID & Password)

UNITED HEALTH CARE

www.myuhc.com

Includes claim center – view and download doctor statements and details

(Establish ID & Password)

BENEFITS CENTER

www.benefitanswersplus.com

Click On MANAGEMENT RETIREE
Includes the following:
Summary Plan Description
Medical Expense Plan (141 pages)
Dental Expense Plan (74 pages)
Benefits at A Glance Summary (11pages)
Life Insurance Plan
Long Term Care Plan
Lucent Savings Plan

(No Password required)

PENSION SERVICE CENTER

http://lucent pension.csplans.com

Official center for all pension and pension-related services

METLIFE – LONG TERM CARE

www.metlife.com/ltc

Includes Info on Long Term Care Plan

END OF DOCUMENT