

A How to Use Guide for Enrollment 2009

Helping Each Retiree Decide

For Members of the LRO and other retirees

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You'll need to spend some quality time to make a decision. Your health, and your family's well being, depends on it.

Getting Started

Health insurance for Lucent's retirees is changing rapidly. Since retirement, retirees costs have risen sharply, benefits have been reduced and the choices are ever more complex.

Today, more and more retirees are asking themselves, "Should I leave Lucent for the commercial health insurance marketplace?" In an effort to assist members, this guide has been designed by the Benefits Team of the Lucent Retirees Organization to help retirees answer that question.

To make your decision easier, this guide provides a road map of the steps to follow, how to find quality insurers, and checklists to help compare key provisions in Lucent's, commercial, and Medicare plans.

The content of this guide has been designed to cover the questions that apply to management retirees and their spouses and certain dependents for both Medicare and non-Medicare plans. Although the format is also useful for any retiree, the checklists, in particular, are not directly applicable to those employees who retired as non-represented occupational, represented, those who are considering COBRA and certain dependents.

How best to use this guide:

- ✓ First, select and read the checklists from the Web site that apply to you so you have an understanding of what you need to know and consider when comparing the Lucent plan to other alternative healthcare plans.
- ✓ Then, return HERE, and read on, making notes to get an understanding of what information is available to help you answer the question "Should I leave Lucent for the commercial health insurance marketplace?"
- ✓ Finally, complete the checklist, applicable to you, ONLY after having carefully read all the information in this guide as well as the 2008 Benefits Open Enrollment materials sent to you by Alcatel-Lucent.

How to Follow the Seven Steps

Why read this: First, scan this entire guide and review the attached side-by-side comparison list at the end. Spend some extra time thinking through your choices in the categories below before you decide.

1	<p>Has been rated highly by its members on the things that are important to you.</p> <ul style="list-style-type: none"> • One source for ratings is the “Best Plan” list on page 6 of this guide. • This source includes (1) access; (2) satisfaction; (3) prevention and (4) treatment.
2	<p>Does a good job of helping people stay well and get better.</p> <ul style="list-style-type: none"> • Check the preventative services that are offered. • Some plans restrict either the frequency or age limit for diagnostic services. • Use the “Best Plans” list referred to in step 1.
3	<p>Is accredited, if that is important to you.</p> <ul style="list-style-type: none"> • NCQA Accreditation is used by most of the nation's Fortune 500 employers, federal and state governments, and consumers to help select among competing health plans. • <i>Consumer Reports</i> recommends it to its readers. • Accreditation status is available at www.ncqa.org.
4	<p>Has the doctors and hospitals you want or need.</p> <ul style="list-style-type: none"> • You’ll need to inquire directly of the health plan provider or, if you are Medicare eligible, of the hospital or doctor. • Some plans may not support your choice of local hospital or MD in network, so your costs may be higher.
5	<p>Provides the benefits you need.</p> <ul style="list-style-type: none"> • The checklist, at the end of this guide, has a list of important benefits and services you need to consider. • Since each individual’s circumstances are different, be sure that every coverage that’s important to you is considered. • A very important question in changing from Lucent is whether pre-existing conditions are covered, or what the waiting period is for them to be covered.
6	<p>Provides services where and when you need them.</p> <ul style="list-style-type: none"> • For retirees who are seasonal residents, portability between states is a very important criteria. • Local situations - transportation, office hours, and the distance for travel - should be considered, especially if your mobility is limited. • Other important services include whether the plan requires a referral before you see a specialist.
7	<p>Meets your budget.</p> <p>The checklist at the end of this guide provides a place to enter both Lucent’s costs and the charges for plans you are considering. There are many variables.</p>

Steps	<h2 style="margin: 0;">How to Use the Checklists</h2> <p style="margin: 0;">Special Note; These Checklists are intended for management retirees and their immediate dependents. Their format may also be useful to represented retirees and for Class II dependents.</p>
1	<p>Choose the checklist(s) that matches what Lucent offers you and your dependents. There are 7 major categories:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Pre-Medicare HMO <input type="checkbox"/> Pre-Medicare POS <input type="checkbox"/> Pre-Medicare Basic POS <input type="checkbox"/> Pre Medicare Indemnity <input type="checkbox"/> Medicare HMO <input type="checkbox"/> Medicare POS for post Oct 2000 retirees <input type="checkbox"/> Medicare Indemnity <input type="checkbox"/> You may be using more than one checklist, depending on your family status. They are intended for management retirees, but they can be useful for other retirees with by adjusting some of the entries and line items.
2	<p>Assemble and enter the information from the plans you are considering in the columns labeled “Plan A” or “Plan B”. Add more columns if you’re considering more than two.</p> <ul style="list-style-type: none"> <input type="checkbox"/> Insure that you have both costs and services to enter. <input type="checkbox"/> Be sure to include the 4 quality factors and the accreditation status from the “Best Plans” site on page 5 of this guide.
3	<p>Assemble and enter the information you have received from Lucent in your personalized enrollment document in the Lucent column. The checklists already have the available Lucent services information entered for you.</p> <ul style="list-style-type: none"> <input type="checkbox"/> You may need to separate your dependents costs from the totals you received and use separate checklists for the retiree and dependent(s). <input type="checkbox"/> If you are doing this to get a head start, you can use the current (year 2007) information. You will need to reenter the 2008 data when you receive it to make a decision.
4	<p>Compare the information on the checklists to decide whether to stay with Lucent or choose a commercial or Medicare plan.</p> <ul style="list-style-type: none"> <input type="checkbox"/> You should separately consider costs and the services. <input type="checkbox"/> One simple approach is to put a “plus” in each entry that is most favorable to your situation. Adding the total number of “pluses” will provide a yardstick as to which plan is worth your serious consideration. <input type="checkbox"/> Some plans may not support your choice of local hospital or MD in network, so your costs may be higher.
5	<p>Each individual’s case is different.</p> <ul style="list-style-type: none"> <input type="checkbox"/> The checklists address the most common situations and are not intended to meet every single need. <input type="checkbox"/> Be sure you go over all your personal circumstances in addition to what’s in the list.

Some Useful References on the Internet

Ask for help from a friend, a family member, or a library

MORE AUTHORITATIVE RESOURCES WORTH READING
Information from Recognized Agencies
<p>» Choosing and using a health plan A well organized outline of factors to consider in selecting health plans, from the US Agency on Health Care Quality. <http://www.ahrq.gov/consumer/hlthpln1.htm></p>
<p>Your Guide to Choosing Quality Health Care A step-by-step guide to the many factors in making a health plan choice. Includes space to organize and record your own health history - often asked for by health plans. A bit long (54 pages) but complete and invaluable. From the US Agency on Health Care Quality. <www.LucentRetirees.com/BenefitsTeam/images/qualguid.pdf></p>
<p>» Medicare Medigap Policies Often referred to as the "original Medicare", these Medigap (sometimes called "Medicare Supplement Insurance") policy is health insurance designed to supplement the Original Medicare Plan, that is, to help pay some of the health care costs ("gaps") that the Original Medicare Plan doesn't cover (like copayments, coinsurance, and deductibles). <www.medicare.gov/Library/PDFNavigation/PDFInterim.asp?Language=English&Type=Pub&PubID=02110></p>
<p>» Find and Compare Medicare Plans If you're on Medicare, the Medicare center allows you to search for health plans and lists price and features. <www.medicare.gov/MPPF/Include/DataSection/Questions/GeneralQuestions.asp></p>
<p>» A Health Plan Report Card (by state) An interactive site that provides a scorecard on the quality of individual health plans, by State. These scorecards are frequently referenced by state agencies. From the National Committee on Quality Assurance [3]. <http://hprc.ncqa.org/index.asp></p>
Notes
<p>[1] WebMD is a commercial business. Web site has advertising. [2] Commercial organization. Provides health insurance quotes. [3] A Not for Profit Association. Sponsored by foundations, employers and drug companies. Board membership from sponsors and state agencies. No health care providers are represented. [4] The USAA Education Foundation is sponsored by USAA, a mutual insurance company for Military officers. USAA does not offer health insurance. [5] The Lucent guide, in small print has the following disclaimer: "This guide is merely intended to highlight some of the benefits offered by Lucent Technologies Inc. to its eligible retirees. In all instances, the relevant plan documents will control and govern the operation of all the benefit plans mentioned or described in this guide."</p>