

Health Plan Coverage Information – Post-Retirement, Over Age 65

[This information is very general in nature. It will deal with coverage for the retiree and his or her spouse. If that spouse is also an employee or retiree of AA or another entity that has insurance benefits, if you have dependant children, if you are disabled under governmental guidelines, you must search out specific pieces of your insurance plans to verify applicability and coverage]

HOW TO FIND THE HEALTH & BENEFITS GUIDE FOR RETIREES:

- ⇒ Log on to Jetnet
 - ⇒ Select --- “Retiree Benefits’ along the tool bar at the top of the page.
 - ⇒ Select --- “Health and Welfare” (left side of the page, under the eHR category).
 - ⇒ Select --- “AMR Corp Health & Welfare Plan Provisions and Updates” on the new page.
 - ⇒ Select --- “Health & Welfare Summary Plan Description (SPD’s)” (scroll down to the bottom of the page to find this).
 - ⇒ Select --- “Health and Welfare Benefits Guide, AA Retirees”.
 - ⇒ This will now open a 208 page document which is the corporations Benefits Guide. Information pertaining to Pilots/FE’s/FA’s/TWU is mixed in with other classes of employees.
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- Optional plans that you may have selected after retirement (TriCare supplement, RPOS) terminate at age 65. You and your spouse now have the RSM plan (Retiree Standard Medical).
- The Table of Contents on P.2-3 is a good thumbnail view of what is in the Guide.
- Eligibility after age 65 – P.15
- Dependants of deceased Employees or Retirees – P.17 and P.42
- Spouse coverage drops to your coverage (for example \$300,000 to \$50,000) when the retiree reaches age 65.
- Waiving (“opting out” of) Retiree Medical Benefit (for example if you want Tricare as your medicare supplement) – P.26
- What is covered – P.45-51
- Short Synopsis of “How the Plan Works” – P.59
- Special provisions of the RSMO – P.60-61
 - In-patient hospital benefit if you are NOT covered by Medicare
 - Physicians charges associated with such in-patient care
- Checkfirst (Pre-determination of Benefits -- how it works) – P.62
- Quick Review (Pre-authorization – how it works) – P.63-64
- Covered Expenses – P.65-74
 - Hearing care – P.67
 - In-Patient Hospital Expense – P.68
 - 26 procedures covered at 100% (not 80%) – P.69
 - Outpatient Surgical Procedures (covered at 100% of “usual and prevailing surgeons fees” if general anesthesia is not used – P.69-70
 - Mental Health Care – P.73
 - Chemical Dependency Care – P. 73-74
- Excluded Expenses – P.75-79

- Glasses/Contacts – P.77 (only the first set after cataract surgery)
- Filing Claims – P.80
- Prescription Drug Benefit and how it works – P.81-82
- How Medicare works with the plan – P.104-106
- How the Tricare Supplemental option works as your secondary insurance – P.110
- Coordination of benefits with other plans (for example, Tricare, Medicare) – P.107-112

NOTES –

-- In the 4th item above, when you are told to select “AMR Corp Health & Welfare Plan Provisions and Updates” you can also select “Retiree Benefits”. This also a good section to look through with plan descriptions and some VERY good links found in the “Retiree Benefits at a Glance” section. This “Retiree Benefits” is an on-line section, not a PDF document, so you can jump to different topics through the blue links shown.

-- If you have the APA Voluntary Supplemental Medical and Custodial Care policy, and have exhausted your AA benefits, it is secondary to Medicare after you reach the age of 65.

-- A surviving spouse with no coverage except Medicare may be eligible for the APA CHIP (Catastrophic Major Medical Benefit Plan). Contact the APA at 800-323-1470 and ask for the benefits committee.

-- AA Dental coverage – You can select 18 months of COBRA coverage when you retire but at the end of that time you must, within 60 days, apply for the Retiree Dental Insurance Plan.

Drug Coverage – Medicare Part D

If you or your dependent(s) are Medicare-eligible, your primary prescription drug coverage becomes Medicare Part D. The Retiree Medical Benefit becomes your secondary coverage, and it coordinates with all parts of Medicare, including Medicare Part D.

Effective January 1, 2006, irrespective of whether or not you are enrolled in Medicare Part D, your prescription drug coverage under the Retiree Medical Benefit (RSM Option) ends, and your primary prescription drug coverage will be Medicare Part D. As such, it is very important that you enroll in Medicare Part D coverage immediately-as soon as you become eligible. Your coverage under the RSM Option will become your secondary coverage, and will coordinate benefits with Medicare Part D in the same manner that it coordinates with Medicare Parts A and B (or Medicare+Choice). Keep in mind that if you or your dependent(s) is(are) eligible for Medicare (including Parts A, B, Medicare+Choice, and/or Part D), ***even if you do not enroll in all or part of the Medicare program, your benefits under the Retiree Medical Benefit will be calculated as though you are enrolled in and receiving Medicare benefits.***

**To file a prescription drug claim under the Retiree Medical Benefit (RSM Option), you must have already filed with Medicare Part D and received your Medicare Part D Explanation of Benefits (EOB).

Submit to UnitedHealthcare:

- Your prescription receipt from the pharmacy
- Your Medicare Part D EOB
- Your completed prescription claim form for Medicare Part D expenses (available on Jetnet).

Upon receipt of your complete claim, UnitedHealthcare will process your claim under your Retiree Medical Benefit coverage, coordinating benefits with Medicare Part D.

The bottom line to remember is: Your drug plan, after the age of 65 and when you are covered by Medicare, is totally separate from the AA UHC coverage. Medco is the company that AA has chosen to use as their drug plan. After age 65 and covered by Medicare, even if you keep Medco, it is not under the AA umbrella, but is your Part D carrier. Medco has several plans available depending upon what state you live in. Their monthly rates will vary, also by state.

Here is an example: In January, you get a drug bill for \$250 and your part D provider has a Medicare Part D standard deductible (\$295 for 2009). When you get an EOB (Explanation of Benefits) from that provider showing that you had \$250 in drug cost that were not covered (because it was part of your deductible), you submit that EOB, with the prescription receipts and a claims form and send it to UnitedHealthcare. They will wind up picking up 80% of that out of pocket \$250.

Whenever you have an EOB showing unpaid drug costs, you will follow the same procedures as above and you should be reimbursed for 80% of your out of pocket expense. This is true for costs incurred if you find yourself in the “donut hole” of Part D.