For Sandia PreMedicare Eligible Participants

Sandia National Laboratories

OneExchange® from Towers Watson

2017 PreMedicare Benefits Choices and Enrollment Guide

For PreMedicare Retirees, Surviving Spouses, Long-Term Disability (LTD) Terminees, and/or PreMedicare Dependents

This guide is for individuals who are not yet eligible for Medicare. It is provided to explain how to evaluate your options and to assist you in choosing the coverage that is best suited for you.

You are strongly encouraged to review all the information in this guide to ensure you do not have unintended gaps in health care coverage.

If your covered dependent is Medicare eligible, he or she will receive a 2017 Benefits Choices and Enrollment Guide for Medicare participants. If you do not receive this guide, please contact OneExchange at 1-888-598-7809.

2017 PreMedicare Retiree Open Enrollment: Saturday, October 15 – Friday, November 18, 2016

Note: The OneExchange call center will not be open on Saturday, October 15. Please call after Monday, October 17, 2016 to speak with a benefits advisor or to make an appointment. The Medicare Retiree open enrollment period is longer than that for PreMedicare Retirees to allow Medicare members to have the same time period provided by Medicare to all Medicare beneficiaries.

Contact Information

OneExchange for PreMedicare Retirees

Phone: 1-888-598-7809
(TTY: 711)
Online: ..... www.SandiaRetireeBenefits.com

Blue Cross Blue Shield of New Mexico

Phone: 1-877-498-7652
Online: .....www.bcbsnm.com

Davis Vision Discount Program

Phone: 1-888-575-0191
Online: .....www.davisvision.com client code 7312

Delta Dental of New Mexico

Phone: 1-800-264-2818
Online: .....www.deltadentalnm.com
www.toolkitsonline.com

Express Scripts

Phone: 1-877-817-1440
(TTY: 1-800-759-1089)
Online: .....www.express-scripts.com

Kaiser Permanente

Phone: 1-800-464-4000
Online: .....www.kp.org

UnitedHealthcare

Phone: 1-877-835-9855
Online: .....www.myuhc.com

Sandia National Laboratories Health Benefits & Employee Services

Phone: 1-505-844-HBES (4237)
Online: .....hbe.sandia.gov

2017 Open Enrollment Meetings

2017 Open Enrollment for Sandia PreMedicare Retirees runs from Saturday, October 15, 2016 through Friday, November 18, 2016.

ALBUQUERQUE, NEW MEXICO

All presentations will be held at the
UNM Continuing Education Center
1634 University Blvd.
Albuquerque, NM 87102

WEDNESDAY, OCTOBER 26	
Fair Time	9:00 a.m. - 12:30 p.m.
Presentation Time	9:30 a.m. - 10:30 a.m.
Presenters	OneExchange, BCBSNM, UHC
WEDNESDAY, NOVEMBER 9	
Fair Time	12:30 p.m. - 3:30 p.m.
Presentation Time	2:00 p.m. - 3:00 p.m.
Presenters	OneExchange, BCBSNM, UHC

LIVERMORE, CALIFORNIA

The California presentation will be held at
Sandia Labs
7011 East Ave.
Bldg. 904
Livermore, CA 94551

MONDAY, NOVEMBER 7	
Fair Time	8:30 a.m. - 11:30 a.m.
Presentation Time	9:00 a.m. - 10:00 a.m.
Presenters	OneExchange, Kaiser, BCBSNM, UHC

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OneExchange by Towers Watson

OneExchange®, a Towers Watson company, is your retiree health benefit administration service. OneExchange offers personalized assistance to help you navigate through your health care options, evaluate, and select the option that is best for you. This service is provided at no cost to you and your dependents.

When you call, if you are PreMedicare, you will reach a benefit advisor from OneExchange who will assist you in enrolling, changing, or disenrolling in/from your medical and dental plans.

OneExchange will also help you with the following additional administrative services:

- Enrollment status/coverage elections
- Billing statement/payments/signing up for electronic payment
- Plan eligibility information
- Payment information
- Address/phone number changes
- Notifications of deaths
- Termination of coverage for yourself or dependents
- Power of attorney designation/authorized representative
- Become Medicare eligible due to disability

Please keep this guide as a reference to use throughout the enrollment process. All guides provided to retirees will be available on hbe.sandia.gov or www.SandiaRetireeBenefits.com.

OneExchange's customer service for Sandia is 1-888-598-7809 (TTY: 711) and is available Monday through Friday from 7:00 a.m. to 7:00 p.m. MT.

Mailing address to submit payment:
Sandia Retiree Benefits Plan
PO Box 10494
Des Moines, IA 50306-0494

TOOLS & RESOURCES

In addition to working with licensed benefit advisors over the phone, you may access online tools at **www.SandiaRetireeBenefits.com** that will provide additional information regarding your Sandia benefits.

Changes to Medical Benefits

The following changes to medical benefits are effective January 1, 2017:

CHANGES TO MEDICAL BENEFITS

Sandia Total Health Plan now covers certain treatment services for Austism Spectrum Disorders (ASD). Refer to your specific plan Program Summary for more details.

Do you need to take action?

If you do not want to change your medical, dental, and/or dependent coverage, you do not need to take any action. If you do not make any changes, you will retain your current coverage. **However, you must call OneExchange if you wish to take any of the following actions unless otherwise noted:**

COVERAGE:	TAKE ACTION:
MEDICAL	• To enroll or disenroll in a medical plan • To change your current medical plan • To waive coverage • Become Medicare eligible due to disability.
DENTAL (RETIREES ONLY)	• To enroll or disenroll in the dental plan • To waive coverage
DEPENDENT COVERAGE	If you wish to add a dependent, you must do so during open enrollment. Mid-year additions require a qualifying event. You may drop a dependent at any time.
HEALTH REIMBURSEMENT ACCOUNT (HRA) FUNDING	Take the health assessment by September 30, 2017 for 2018 funding through your medical insurance carrier to earn $250 toward next year's medical expenses. See page 24 for details and instructions.
UPDATE YOUR BENEFICIARY(IES)	Open Enrollment is a great time to make sure your life insurance beneficiary information is up to date. You may do this through www.prudential.com/mybenefits or by calling 1-800-778-3827 to request a paper form.

Eligibility Guidelines

Eligibility for Coverage Under a Sandia-Sponsored Health Care Plan. The Sandia Retiree must maintain coverage in a Sandia Plan in order for a spouse and /or dependents to have coverage

If you are the primary member under the plan, Class I dependents eligible for membership include your:

- Spouse, not legally separated or divorced from you
- Child under age 26
- Child who is recognized as an alternate recipient in a Qualified Medical Child Support Order
- Child of any age who is incapacitated as determined by the claims administrator

Note 1: The claims administrator determines if the applicant is disabled. Please contact OneExchange for more information on enrolling your child as an incapacitated dependent.

Note 2: For Survivors: no new dependents can be added, except for children born or adopted with respect to a pregnancy or placement for adoption that occurred before the employee's or Retiree's death.

PREMEDICARE SPOUSES

PreMedicare Spouses of:

- Non-represented employees who were hired (or rehired) on or after January 1, 2009, or
- OPEIU-represented employees who were hired (or rehired) on or after July 1, 2009, or
- MTC- and SPA-represented employees who were hired (or rehired) on or after July 1, 2010

...and who retired on or after January 1, 2012 can continue coverage in the Sandia Total Health Group Plans until the PreMedicare Spouse becomes Medicare eligible.

CHILD INCLUDES:

- Primary covered member's own children, step-children, and legally-adopted children
- Child for whom the primary covered member has legal guardianship
- Natural child, legally adopted child, or child for whom the primary covered member has legal guardianship if a court decree requires coverage

CLASS II DEPENDENTS

No additional Class II Dependents can be enrolled in any of the Sandia medical plans. To continue to qualify for medical coverage, a Class II dependent must:

- Be "financially dependent" on you, which means that a person receives greater than 50% of their financial support for the calendar year from the primary member,
- Have a total income from all sources of less than $15,000/year other than the support you provide, and
- Have lived in your home, or one provided by you in the United States, for the most recent six months.

SURVIVING SPOUSES

Your surviving spouse is eligible to enroll in the Surviving Spouse Medical Plan as long as he/she is your covered dependent at the time of your death.

- The surviving spouse (and any dependents enrolled at the time of death) may continue coverage by paying the premiums shown below.

- If your surviving spouse remarries, he or she is no longer eligible for survivor benefits with a Sandia-sponsored medical plan.
- Surviving spouses are not eligible for the Davis Vision Affinity Discount Program.
- If the surviving spouse coverage terminates for any reason, the surviving spouse and any dependents (if applicable) may not come back to the plan at any time.

For more detailed information, refer to the Sandia Health Benefits Plan for Retirees Summary Plan Description (SPD).

LTD TERMINEES

LTD Terminees are not eligible for the Davis Vision Affinity Discount Program.

Note: If you and/or your covered dependents become Medicare Eligible, you and/or your covered dependents will lose medical coverage through Sandia at the end of the month prior to the month in which you and/or your covered dependents became Medicare Eligible. If you and/or your covered dependents become Medicare Eligible, notify OneExchange.

MEDICARE ELIGIBLE RETIREES

- Non-represented employees who were hired (or rehired) on or after January 1, 2009, or
- OPEIU-represented employees who were hired (or rehired) on or after July 1, 2009, or
- MTC- and SPA-represented employees who were hired (or rehired) on or after July 1, 2010

...and then retired after January 1, 2012 are not eligible for the Sandia Medicare benefits.

INELIGIBLE DEPENDENTS

You must disenroll your ineligible dependents within 31 calendar days. For example, the following lists events that would make your dependents ineligible.

- Divorce or annulment
- Legal separation
- Child reaches age 26
- Incapacitated child no longer meets incapacitation criteria
- Child, step-child, grandchild, brother, sister, parent, step-parent or grandparent no longer meets Class II eligibility requirements criteria
- Class II dependent becomes Medicare eligible

Changing your benefits elections

If you want to make a change to your medical and/or dental benefits, you will need to call OneExchange at 1-888-598-7809 (TTY: 711). When you call OneExchange, you will automatically be connected with a benefit advisor.

To speed up the process of connecting you to the right benefit advisor, you will be asked a few questions by the automated telephone system. You may either speak your answers, or use the numbers on your telephone keypad.

BEFORE YOU ARE CONNECTED TO A BENEFIT ADVISOR:

1. Speak to a benefits advisor by saying or pressing "1" on your keypad.
2. Enter your ZIP code.
3. Provide the last four digits of your Social Security number.*
4. Confirm the first three letters of your last name.
5. After you make an election with a OneExchange benefit advisor over the phone, a Confirmation Statement will be mailed to you within 10 business days indicating the selection(s) you made.

* OneExchange's privacy policy can be found at wwww.SandiaRetireeBenefits.com. Click on the "privacy policy" link at the bottom of any page.

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Sandia Total Health

Sandia Total Health is a healthcare plan that offers flexibility and choice – features we know are important to you. It is administered by Blue Cross and Blue Shield of New Mexico, Kaiser Permanente, and UnitedHealthcare. Sandia Total Health has two main components – comprehensive health care coverage and a Sandia-funded Health Reimbursement Account (HRA).

Sandia Total Health is a Consumer-Driven Health Plan (CDHP). It's a key element of Sandia's strategy to manage healthcare costs by encouraging healthcare consumerism and improving overall health through an integrated approach to health and wellness.

PREVENTIVE CARE

Preventive care includes services like annual physical exams and certain cancer screenings. Preventive care is covered at 100%, with no deductible to meet, as long as you visit an in-network provider and the provider codes the service with a "preventive" Current Procedural Terminology (CPT) code.

ANNUAL DEDUCTIBLE

Your annual deductible is the amount you pay out of pocket each year for medical expenses. Once your deductible is met your medical benefits begin, and you and Sandia start sharing the cost of covered medical services. Your deductible amount is based on your coverage tier and which network of providers you use.

COINSURANCE

Once you meet your deductible, Sandia Total Health pays a percentage of your covered medical care costs and you pay the remaining percentage. This shared cost is called coinsurance.

OUT-OF-POCKET LIMIT

This is the maximum amount you'll pay out of your pocket for medical care during a plan year. Once you reach this limit, your remaining eligible expenses for the calendar year are covered at 100%.

HEALTH REIMBURSEMENT ACCOUNT (HRA)

The HRA is a tax-free, Sandia-funded account and is provided to help offset your eligible out-of-pocket medical, prescription, dental, hearing, vision, and other 213(d) expenses. The amount of dollars allocated to your HRA depends on the coverage category you choose and if you took your carrier health assessment in the prior year.

ONLINE HEALTH ASSESSMENT

PreMedicare retirees, spouses, LTD Terminees & LTD Spouses must complete an online health assessment by September 30. See page 24 for detailed instructions on how to complete the health assessment through your insurance vendor.

Sandia Total Health / Blue Cross and Blue Shield of New Mexico (BCBSNM) – includes Sandia Health Partner Network

Sandia Total Health is administered by Blue Cross Blue Shield of New Mexico (BCBSNM) and provides access to a nationwide network of providers. This plan allows members to see any licensed provider, although benefits are greater when care is received from an in-network provider and even greater when care is received from a Sandia Health Partner Network (SHPN) provider. This program includes the employer-funded Health Reimbursement Account (HRA) detailed on page 24. For additional information, please review the Program Summary at hbe.sandia.gov.

SANDIA HEALTH PARTNER NETWORK

Sandia Total Health administered by Blue Cross Blue Shield of New Mexico (BCBSNM) has three network options you can access

at the point of service — the Sandia Health Partner Network (SHPN), in-network, and out-of-network.

The SHPN is available to BCBSNM enrollees in Albuquerque and the surrounding area. In the SHPN you still have access to the entire nationwide BCBS network but when you access providers in the SHPN, your deductible, coinsurance, and out-of-pocket limit are reduced.

SHPN providers include Lovelace Health System, ABQ Health Partners physician group, Heart Hospital of New Mexico, NM Orthopedics', and more than 250 additional independent community physicians.

IMPROVED BENEFITS MEANS YOU SAVE MONEY WITH THE SHPN

If you're enrolled in BCBSNM, you have the option to visit the in-network providers, those included in the SHPN, or both. If you first visit providers in the SHPN and then providers in the PPO, or vice versa, your

deductible and out-of-pocket limit/maximums will cross-apply. You enjoy all the standard benefits of Sandia Total Health, but have the additional option of saving money by visiting providers in the SHPN.

See the Benefits-at-a-Glance table on page 15 for more details

Sandia Total Health / Blue Cross and Blue Shield of New Mexico (BCBSNM) – includes Sandia Health Partner Network, continued

KEY POINTS

- In New Mexico, this plan provides access to Lovelace facilities, UNMH, the Heart Hospital of New Mexico, Albuquerque Health Partners, and many independent providers.
- In California, this plan provides access to the John Muir physician network, San Roman Valley Regional, Valley Care Health Systems, and many independent providers.
- Prescription drug program is administered through Express Scripts. See Prescription Drug Coverage on pages 18-19.
- Includes an employer-funded Health Reimbursement Account (HRA).
- Prior notification to BCBSNM is required for certain medical services, procedures, and hospitalizations.
- Members are responsible for the first $300 of covered charges for failure to follow notification and/or pre-certification procedures.
- Certain in-network preventive care is covered at 100%. You do not need to meet a deductible amount for covered preventive care.
- Provides in- and out-of-network benefits.
- Coverage is available worldwide for emergency and urgent care.
- Behavioral health benefits are provided through the BCBS network of providers.

MEMBER RESOURCES

Contact BCBSNM Member Services at 1-877-498-SNLB (7652) or online at www. bcbsnm.com.

Review a list of providers in the Sandia Health Partner Network (SHPN) at www.bcbsnm.com/sandia.

Sandia Total Health / BCBSNM

	SHPN	IN-NETWORK	OUT-OF-NETWORK
PREVENTIVE CARE			
	100% covered (Not subject to the annual deductible)	100% covered (Not subject to the annual deductible)	60% covered (You pay 40%)
ANNUAL DEDUCTIBLE *(excludes prescription drug costs)*			
RETIREE ONLY	$500	$750	$2,000
RETIREE + SPOUSE OR CHILD(REN)	$1,000 (max. $500 per person)	Up to $1,500 (max. $750 per person)	Up to $4,000 (max. $2,000 per person)
RETIREE + SPOUSE & CHILD(REN)	$1,500 (max. $500 per person)	Up to $2,250 (max. $750 per person)	Up to $6,000 (max. $2,000 per person)
NOTE: *In- and out-of-network deductibles do not cross-apply. The In-network deductible and the SHPN deductible do cross-apply.*			
COINSURANCE			
	You pay 10%	You pay 20%	You pay 40%
ANNUAL CALENDAR YEAR OUT-OF-POCKET LIMIT *(excludes prescription drug costs)*			
RETIREE ONLY	$1,500 (includes deductible)	$2,250 (includes deductible)	$6,000 (includes deductible)
RETIREE + SPOUSE OR CHILD(REN)	$3,000 (includes deductible; max of $1,500 per person)	$4,500 (includes deductible; max of $2,250 per person)	$12,000 (includes deductible; max of $6,000 per person)
RETIREE + SPOUSE AND CHILD(REN)	$4,500 (includes deductible; max of $1,500 per person)	$6,750 (includes deductible; max of $2,250 per person)	$18,000 (includes deductible; max of $6,000 per person)
NOTE: *In- and out-of-network out-of-pocket limit do not cross-apply. The In-network out-of-pocket limit and the SHPN out-of-pocket limit do cross-apply.*			

Sandia Total Health / UnitedHealthcare

This Sandia Total Health program is administered by UnitedHealthcare (UHC) and allows members to see any licensed provider, although benefits are greater when care is received from a UHC network provider. This program includes the employer-funded Health Reimbursement Account (HRA) detailed on page 24. For additional information, refer to the Program Summary at hbe.sandia.gov.

KEY POINTS

- In New Mexico, this plan provides access to Presbyterian facilities and providers, the University of New Mexico Hospital (UNMH), and many independent providers.
- In California, this plan provides access to the John Muir physician network, San Roman Valley Regional, Valley Care Health Systems, and many independent providers.
- Prescription drug program is administered through Express Scripts. See Prescription Drug Coverage on pages 18-19.
- Includes an employer-funded Health Reimbursement Account (HRA).
- Prior notification to UHC is required for certain medical services, procedures, and hospitalizations.
- Members are responsible for the first $300 of covered charges for failure to follow notification and/or precertification procedures.
- Certain in-network preventive care is covered at 100%. You do not need to meet a deductible amount for covered preventive care.
- This plan provides in- and out-of-network benefits.
- Coverage is available worldwide for emergency and urgent care.
- Behavioral health benefits are provided through the OptumHealth Behavioral Solutions network of providers.

MEMBER RESOURCES

UnitedHealthcare Member Service
(877) 835-9855
Access to UHC member services 24 hours a day, seven days a week.

OptumHealth Behavioral Solutions (866) 828-6049

Optum NurseLine — 24-hour advice line
(800) 563-0416

www.myuhc.com provides access to health information, personal health assessments, and more. You can also print your Explanation of Benefits (EOB), order a new or replacement ID card and print a temporary ID card.

The website also provides a listing of in-network providers. From www.myuhc.com click “Find Physician, Laboratory or Facility” under Links and Tools. The username and password is SNL.

Sandia Total Health administered by UnitedHealthcare

	IN-NETWORK	OUT-OF-NETWORK
PREVENTIVE CARE		
	100% covered (Not subject to the annual deductible)	60% covered (You pay 40%)
ANNUAL DEDUCTIBLE *(excludes prescription drug costs)*		
RETIREE ONLY	$750	$2,000
RETIREE + SPOUSE OR CHILD(REN)	Up to $1,500 (max. $750 per person)	Up to $4,000 (max. $2,000 per person)
RETIREE + SPOUSE & CHILD(REN)	Up to $2,250 (max. $750 per person)	Up to $6,000 (max. $2,000 per person)
NOTE: *In- and out-of-network deductibles do not cross-apply.*		
COINSURANCE		
	You pay 20%	You pay 40%
ANNUAL CALENDAR YEAR OUT-OF-POCKET LIMIT *(excludes prescription drug costs)*		
RETIREE ONLY	$2,250 (includes deductible)	$6,000 (includes deductible)
RETIREE + SPOUSE OR CHILD(REN)	$4,500 (includes deductible; max of $2,250 per person)	$12,000 (includes deductible; max of $6,000 per person)
RETIREE + SPOUSE AND CHILD(REN)	$6,750 (includes deductible; max of $2,250 per person)	$18,000 (includes deductible; max of $6,000 per person)
NOTE: *In- and out-of-network out-of-pocket limit do not cross-apply.*		

Prescription Drug Coverage

Sandia Total Health administered by Express Scripts

ELIGIBILITY

Members enrolled in the Sandia Total Health plan administered by BCBSNM and UHC are eligible for the Express Scripts Prescription Drug Program.

Plan members who have primary prescription drug coverage under another group health care plan are not eligible to use the Mail-Order Program or to purchase drugs from retail network pharmacies at the copayment level.

KEY POINTS

- View the Express Scripts formulary list and compare drug prices at www.express-scripts.com.
- Many drugs are subject to step therapy, quantity limits, and/or prior approvals through Express Scripts.
- In order to receive coverage for specialty medications, BCBSNM and UHC members must purchase these drugs through the Express Scripts specialty pharmacy — Accredo. These drugs are delivered via mail order through Accredo.
- All specialty prescriptions will be limited to a 30 day supply and will be subject to the retail coinsurance/copay structure (e.g., 30% coinsurance with a $25 minimum copay and $40 maximum copay for a brand-name preferred drug).
- You must show your Express Scripts identification card at all retail network pharmacies. If you do not show your Express Scripts identification card upon purchase to identify you as a Sandia participant, you will not be eligible for any reimbursement.
- Maximum of 30-day supply at retail network and out-of-network retail pharmacies.
- Reimbursement for a paper claim submitted for purchases at in-network pharmacies will not be allowed (except for coordination of benefits).
- Prescription drug copayments and/or coinsurance do not apply to your annual deductible or medical out-of-pocket limit.
- If the actual cost of the prescription through the mail or at a retail network pharmacy is less than the copayment, you will only pay the actual cost.
- Under the Express Scripts prescription program, unless your physician specifies that the prescription be dispensed as written, prescriptions will be filled with the least expensive acceptable generic equivalent when available and permissible by law.
- Under the UHC and BCBSNM mail-order program, you must ask for a 90-day prescription with refills in 90-day increments.

MEMBER RESOURCES

Express Scripts Customer Service:
1-877-817-1440 — Available 24/7

1-800-759-1089 (TTY) — Available 24/7

To learn more about Express Scripts, you may register online at www.express-scripts.com. Select "For Members" and follow instructions to register.

For additional information on this program, refer to the BCBSNM, and UHC Program Summaries at hbe.sandia.gov.

	IN-NETWORK	OUT-OF-NETWORK
PRESCRIPTION DRUGS RETAIL (MAXIMUM 30-DAY SUPPLY)		
GENERIC	You pay 20% $5/$10 min/max copay	You pay 50%
BRAND-NAME PREFERRED	You pay 30% $25/$40 min/max copay	You pay 50%
BRAND-NAME NON-PREFERRED	You pay 40% $40/$60 min/max copay	You pay 50%
PRESCRIPTION DRUGS MAIL ORDER (MAXIMUM 90-DAY SUPPLY)		
GENERIC	You pay 20% $12.50/$25 min/max copay	n/a
BRAND-NAME PREFERRED	You pay 30% $62.50/$100 min/max copay	n/a
BRAND-NAME NON-PREFERRED	You pay 40% $100/$150 min/max copay	n/a
	There is an annual out-of-pocket maximum of $1,500 per person and $5,950 per family for in-network prescription drugs.	There is no out-of-pocket limit/ maximum for out-of-network prescription drugs.
* There is no difference between the prescription drug benefits associated with the SHPN and the in-network benefits.		

Sandia Total Health / Kaiser Permanente

This Sandia Total Health program is administered by Kaiser Permanente and allows members to see any licensed provider, although benefits are greater when care is received from a Kaiser Network provider. This program includes the employer-funded Health Reimbursement Account (HRA) detailed on page 24. For additional information, please review the Program Summary at hbe.sandia.gov.

ELIGIBILITY

This plan is available to those who live within a Northern California Kaiser-designated service area (Alameda, Contra Costa, Marin, Sacramento, San Francisco, San Joaquin, San Mateo, Solano, and Stanislaus counties are entirely inside a Kaiser service area; service areas for other Northern California counties are determined by specific ZIP codes within those counties).

KEY POINTS

- Prescription drug program is administered through Kaiser Pharmacy. See Prescription Drug Coverage on pages 22-23.
- Includes an employer-funded Health Reimbursement Account (HRA).
- Self-referral to selected specialty departments; others require a referral from your Plan physician.
- You must reside within a Northern California Kaiser Permanente service area to be eligible for the Plan and may only leave the service area for a maximum of 90 continuous days. Exception: Students attending school outside the service area.
- Certain in-network preventive care is covered at 100%. You do not need to meet a deductible amount for covered preventive care.
- This plan provides in- and out-of-network benefits.
- Coverage is available worldwide for emergency and urgent care.

MEMBER RESOURCES

The Kaiser Permanente Member Services Call Center is available weekdays at 1-800-464-4000 between 7 a.m. and 7 p.m. PT, or weekends from 7:00 a.m. - 3:00 p.m. PT.

You may also visit www.kponline.org, where you can make appointments, consult a nurse or pharmacist, complete the online health assessment, find health-care information, customize online health improvement programs, and more.

ADDITIONAL RESOURCES

Nurse Advice Line: Find your region's nurse advice line through the Kaiser Services Guide (Your Guidebook) which is provided to new members, or call 800-464-4000 for assistance.

Chiropractic Benefit: American Specialty Health Plans of CA provides direct access to American Specialty Health Plans (ASH) network of participating chiropractors. To learn more about the ASH providers, visit the website at www.ashcompanies.com or call 800-678-9133.

Healthy Roads: This innovative health improvement program helps you take charge of your health through a variety of online tools, including a personal health assessment and a customized exercise planning program. To learn more about the discounts available, visit www.healthyroads.com.

Sandia Total Health administered by Kaiser Permanente

	IN-NETWORK	OUT-OF-NETWORK
PREVENTIVE CARE		
	100% covered (Not subject to the annual deductible)	60% covered (You pay 40%)
ANNUAL DEDUCTIBLE *(excludes prescription drug costs)*		
RETIREE ONLY	$750	$2,000
RETIREE + SPOUSE OR CHILD(REN)	Up to $1,500 (max. $750 per person)	Up to $4,000 (max. $2,000 per person)
RETIREE + SPOUSE & CHILD(REN)	Up to $2,250 (max. $750 per person)	Up to $6,000 (max. $2,000 per person)
NOTE: *In- and out-of-network deductibles do not cross-apply.*		
COINSURANCE		
	You pay 20%	You pay 40%
ANNUAL CALENDAR YEAR OUT-OF-POCKET LIMIT *(excludes prescription drug costs)*		
RETIREE ONLY	$2,250 (includes deductible)	$6,000 (includes deductible)
RETIREE + SPOUSE OR CHILD(REN)	$4,500 (includes deductible; max of $2,250 per person)	$12,000 (includes deductible; max of $6,000 per person)
RETIREE + SPOUSE AND CHILD(REN)	$6,750 (includes deductible; max of $2,250 per person)	$18,000 (includes deductible; max of $6,000 per person)
NOTE: *In- and out-of-network out-of-pocket limit do not cross-apply.*		

Prescription Drug Coverage

Sandia Total Health administered by Kaiser Pharmacy

ELIGIBILITY

Members enrolled in the Sandia Total Health plan administered by Kaiser will use the Kaiser Pharmacy for prescription drug services.

Plan members who have primary prescription drug coverage under another group health care plan are not eligible to use the Mail-Order Program or to purchase drugs from retail network pharmacies at the copayment level.

KEY POINTS

- You can view the Kaiser Pharmacy formulary list at www.kp.org.
- Many drugs are subject to step therapy, quantity limits, and/or prior approvals through Kaiser Pharmacy.
- All specialty prescriptions will be limited to a 30-day supply and will be subject to the retail coinsurance/copay structure (e.g., 30% coinsurance with a $25 minimum copay and $40 maximum copay for a brand-name preferred drug).
- You must show your Kaiser identification card at all retail network pharmacies. If you do not show your Kaiser identification card upon purchase to identify you as a Sandia participant, you will not be eligible for any reimbursement.
- Maximum of 30-day supply at retail network and out-of-network retail pharmacies.
- Reimbursement for a paper claim submitted for purchases at in-network pharmacies will not be allowed (except for coordination of benefits).
- Prescription drug copayments and/or coinsurance do not apply to your annual deductible or medical out-of-pocket limit.
- If the actual cost of the prescription through the mail or at a retail network pharmacy is less than the copayment, you will only pay the actual cost.
- Under the Kaiser mail-order program, you must ask for a 100-day prescription with refills in 100-day increments.
- Certain prescriptions will only be dispensed with an appropriate medical diagnosis through the prior authorization process. In addition, some drugs may be subject to step therapy protocol.

MEMBER RESOURCES

Kaiser Member Services Call Center:
1-800- 464-4000 — Available weekdays 7:00 a.m. to 7:00 p.m. PT, or weekends 7:00 a.m. to 3:00 p.m. PT.

Comprehensive website at www.kponline.org.

For additional information on this program, refer to the Kaiser Permanente Program Summary at hbe.sandia.gov

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	IN-NETWORK	OUT-OF-NETWORK
PRESCRIPTION DRUGS RETAIL (MAXIMUM 30-DAY SUPPLY)		
GENERIC	You pay 20% $5/$10 min/max copay	You pay 50%
BRAND-NAME PREFERRED	You pay 30% $25/$40 min/max copay	You pay 50%
BRAND-NAME NON-PREFERRED	You pay 40% $40/$60 min/max copay	You pay 50%
PRESCRIPTION DRUGS MAIL ORDER (MAXIMUM 100-DAY SUPPLY)		
GENERIC	You pay 20% $12.50/$25 min/max copay	n/a
BRAND-NAME PREFERRED	You pay 30% $62.50/$100 min/max copay	n/a
BRAND-NAME NON-PREFERRED	You pay 40% $100/$150 min/max copay	n/a
	There is an annual out-of-pocket maximum of $1,500 per person and $5,950 per family for in-network prescription drugs.	There is no out-of-pocket limit/maximum for out-of-network prescription drugs.

Health Reimbursement Account

The Health Reimbursement Account (HRA) is a tax-free, Sandia-funded account that is provided to help offset your eligible out-of-pocket medical, prescription, dental, hearing, vision, and other 213(d) expenses. For additional information, refer to the Sandia Health Benefits Plan for Retirees Summary Plan Description at hbe.sandia.gov.

KEY POINTS:

- The amount of dollars allocated to your HRA depends on the coverage category you choose and if you took your carrier health assessment in the prior year.
- PreMedicare Retirees & Spouses, Surviving Spouses, LTD Terminees, and Spouses must complete an online health assessment through your current insurance provider.
- **Health assessments must be completed from October 1, 2016 through September 30, 2017 in order to receive your 2018 HRA funds.**
- Note that PreMedicare retirees, surviving spouses, LTD terminees, and PreMedicare spouses are not eligible to participate in the Virgin Pulse program.

HEALTH ASSESSMENT INSTRUCTIONS:

BLUE CROSS BLUE SHIELD OF NEW MEXICO (BCBSNM)

Log on to www.bcbsnm.com and click “Health Assessment” under the “Quick Links” button in the top right corner.

Contact BCBSNM Customer Service at 1-877- 498-7652 with questions or if you require assistance.

KAISER PERMANENTE

Log on to kp.org/succeed and click “Start a Total Health Assessment Now” on the middle of the homepage.

Contact Kaiser Customer Service at 1-866- 433-9284 with questions or if you require assistance.

UNITEDHEALTHCARE (UHC)

Log on to myuhc.com and click the "Health & Wellness" tab on the right side of the homepage. Then register for Rally by clicking on the Rally ad or by selecting the "Rally Health Assessment" tab on the right hand side of the page. If you need assistance, please contact Customer Service at 1-877-835-9855.

COVERAGE:	ANNUAL ALLOCATION
RETIREE ONLY*	$250
RETIREE + SPOUSE* OR CHILD(REN)	$500
RETIREE + SPOUSE* AND CHILD(REN)	$750

* must take health assessment

HRA FUNDS ROLL-OVER

If you have HRA funds remaining as of December 31 and remain with the same insurance provider, your funds will continue processing as the prior year. Note that your HRA rollover is subject to a capped amount. Please see the Summary Plan Description for your medical plan.

If you have HRA funds remaining as of December 31 and switch insurance providers, these funds can be used for prior year claims up until March 31 with your previous provider to capture any run-out claims. Then the funds will be transferred to your new provider by April 30.

Dental Care Plan Program Overview

The Sandia Dental Care Program is administered by Delta Dental of New Mexico. This plan is available to retired employees and their eligible dependents.

KEY POINTS:

- Delta Dental issues identification cards under the primary subscriber with a unique ID number. This card lists only the primary subscriber and the alternate ID, which is used by all family members. One identification card will be issued for single subscribers, and two cards will be issued per family. Additional cards can be ordered through www.toolkitsonline.com.
- Coinsurance coverage based on a percentage of the maximum approved fee for the following types of services:
  - Preventive services such as oral examinations, routine cleanings, and x-rays will be covered at 100%
  - Basic and restorative services that include fillings, extractions, endodontic, and periodontal services will be covered at 80%
  - Major services such as crowns, prosthodontics, and specified implant procedures will be covered at 50%
  - Orthodontic services will be covered at 50%
- Annual deductible of $50 per individual up to a family annual maximum deductible of $150.
- Annual maximum benefit for non-orthodontic covered services is $1,500.
- Lifetime maximum benefit for orthodontic covered services is $1,800.

RETIREES WHO PAY NO DENTAL PREMIUM

Employees who retired prior to January 1, 2009 will not be required to pay a dental premium share for themselves or any eligible Class I dependents at this time.

RETIREES WHO PAY A PARTIAL MONTHLY DENTAL PREMIUM

Employees who were hired or rehired prior to January 1, 2009, and retired January 1, 2009 through December 31, 2011, pay a partial monthly dental premium share. Rates are based on retiree, retiree plus one, or retiree plus two or more eligible dependents. Use Table A on the following page to find your rate for the Dental Care Program.

RETIREES WHO PAY THE FULL MONTHLY DENTAL PREMIUM

Employees who retired on or after January 1, 2012 pay the full monthly dental premium. Rates are based on member plus eligible dependents (i.e.: retiree, retiree plus one, or retiree plus two or more eligible dependents). Use Table B on the following page to find your rate for the Dental Care Program.

Attention employees retiring on or after January 1, 2012: If you have waived medical coverage, but elected dental coverage, you will not pay a dental premium. Your dental premium will be covered by the monthly subsidy. See page 26-27 for details.

CUSTOMER SERVICE

Delta Dental of New Mexico Customer Service can answer questions about your dental coverage, such as benefits, coinsurance, deductible, and your annual maximum. Call Delta Dental Customer Service at 1-800-264-2818, Monday - Friday from 6:30 a.m. to 6:00 p.m. MT.

You can also visit the Delta Dental office Monday - Friday from 8:00 a.m. to 4:30 p.m. MT for benefits assistance. Our address is 2500 Louisiana Blvd. NE STE. 600, Albuquerque, NM, 87110.

Contact OneExchange for help with questions related to the administration of your dental plan, such as eligibility, changing a name or address, adding or removing dependents, and paying your premium. Contact OneExchange at 1-888-598-7809 (TTY: 711), Monday — Friday from 6:00 a.m. to 7:00 p.m. MT.

The tables below reflect Dental Care Plan Program Premiums.

Table A is the partial monthly dental premium for employees hired or rehired prior to January 1, 2009 and retired January 1, 2009 through December 31, 2011.

TABLE A:
PARTIAL MONTHLY DENTAL PREMIUM FOR EMPLOYEES HIRED OR REHIRED PRIOR TO JANUARY 1, 2009, AND RETIRED JANUARY 1, 2009 THROUGH DECEMBER 31, 2011

COVERAGE	MONTHLY PREMIUM
RETIREE ONLY	$9.00
RETIREE + 1	$17.00
RETIREE + 2 (OR MORE)	$26.00

Table B is the full monthly dental premium for employees who retired on or after January 1, 2012.

TABLE B:
FULL MONTHLY DENTAL PREMIUMS FOR EMPLOYEES WHO RETIRED ON OR AFTER JANUARY 1, 2012

COVERAGE	MONTHLY PREMIUM
RETIREE ONLY	$45.00
RETIREE + 1	$87.00
RETIREE 2 (OR MORE)	$115.00

Retiree Medical Premium Sharing

For Employees Who Retired on or Before December 31, 2011

Employees who retired prior to January 1, 1995 will not be required to pay a premium share for themselves or any eligible Class I dependents at this time. (Exception: Retirees who retired prior to January 1, 1995, but who currently pay a portion of their medical coverage will continue to do so.)

Employees who retired after December 31, 1994, and before January 1, 2003 pay 10% of the full premium.

Employees who retired on or after January 1, 2003, and before January 1, 2012 pay a percentage of the full premium based on years of service.

CLASS II DEPENDENTS

The monthly premium for a PreMedicare Class II dependent is $518 for Sandia Total Health.

Class II dependents for whom you currently pay a Class II premium will not be counted as dependents in calculating the premiums stated above.

Any Class II dependents for which you do not pay the full Class II premium will be counted as dependents for premium sharing in the calculation.

YEARS OF SERVICE	PRE-95	30+	25- 29	20 - 24	15 -19	10 - 14
Contribution %	0%	10%	15%	25%	35%	45%
Member-only coverage	$0	$74	$111	$185	$259	$333
Member +1 coverage	$0	$148	$222	$370	$518	$666
Member + 2 coverage	$0	$222	$333	$555	$777	$999
Note: Family contributions are capped at three times the applicable rate.						

Retiree Medical Premium Sharing

For Employees Who Retired on or After January 1, 2012

Certain PreMedicare retirees will receive a subsidy, which is a monthly contribution that Sandia will pay toward your Sandia-sponsored group medical and/or dental coverage. The amount of the subsidy is based on your years of service and coverage level (e.g. single, etc.). The subsidy will not increase year-over-year. As health care premiums rise, PreMedicare retirees will pay the difference between the premiums and the subsidy only.

Refer to the Sandia Health Benefits Plan for Retirees Summary Plan Description (SPD) for more information on the subsidy.

RETIREES ELIGIBLE TO RECEIVE THE SUBSIDY

The following are eligible to receive monthly subsidies:

- Non-represented employees who were hired (or rehired) prior to January 1, 2009
- OPEIU-represented employees who were hired (or rehired) prior to July 1, 2009
- MTC- and SPA-represented employees who were hired (or rehired) prior to July 1, 2010

RETIREES NOT ELIGIBLE TO RECEIVE THE SUBSIDY

The following groups are not eligible to receive a subsidy and will pay 100% of the cost of the Sandia-sponsored medical plan (see the 100% column on page 33 for amounts):

- Non-represented employees who were hired (or rehired) on or after January 1, 2009
- OPEIU-represented employees who were hired (or rehired) on or after July 1, 2009
- MTC- and SPA-represented employees who were hired (or rehired) on or after July 1, 2010

CLASS II DEPENDENTS

The monthly premium for a PreMedicare Class II dependent is $518 for Sandia Total Health.

Class II dependents for whom you currently pay a Class II premium will not be counted as dependents in calculating the premium stated above.

Any Class II dependents for which you do not pay the full Class II premium will be counted as dependents for premium sharing in the calculation.

The following table shows monthly premium rates after the subsidy has been applied.

YEARS OF SERVICE	30+	25- 29	20 - 24	15 -19	10 - 14
Premium Share Member-only coverage[1]	$40	$79	$157	$234	$312
Premium Share Member +1 coverage[1]	$80	$158	$314	$468	$624
Premium Share Member + 2 coverage[1 2]	$120	$237	$471	$702	$936

[1] Amounts shown do not include cost of dental coverage. Dental premiums are shown on page 27.

[2] Family contributions are capped at three times the applicable rate.

Surviving Spouse Medical Premium Sharing

ELIGIBILITY

Your surviving spouse is eligible to enroll in the Surviving Spouse Medical Plan as long as he/she is your covered dependent at the time of your death.

- The surviving spouse (and any dependents enrolled at the time of death) may continue coverage by paying the premiums shown below.
- If your surviving spouse remarries, he or she is no longer eligible for survivor benefits with a Sandia-sponsored medical plan.
- Surviving spouses are not eligible for Sandia Group Delta Dental plan after COBRA has expired, and may contact OneExchange to enroll into an individual plan at full cost.
- If the surviving spouse coverage terminates for any reason, the surviving spouse and any dependents (if applicable) may not come back to the plan at any time.

For more detailed information, refer to the Sandia Health Benefits Plan for Retirees Summary Plan Description (SPD).

PARTIAL PREMIUMS

Surviving spouses of employees who retired on or before December 31, 2011 will pay 50% of the full experience-rated premium.

SURVIVING SPOUSES OF EMPLOYEES WHO RETIRED ON OR BEFORE DECEMBER 31, 2011	
COVERAGE	**PREMIUM SHARE**
Survivor-only coverage	$370
Survivor +1 coverage	$740
Survivor +2 coverage	$1,110
Note: Family contributions are capped at three times the applicable rate.	

MONTHLY SUBSIDY

Surviving spouses of employees who retired on or after January 1, 2012:
Sandia will pay a monthly subsidy toward your Sandia-sponsored group medical.

The subsidy will not increase year-over-year. As healthcare premiums rise, surviving spouses will pay the difference between the premiums and the subsidy only.

Refer to the Sandia Health Benefits Plan for Retirees Summary Plan Description (SPD) for more information on the subsidy.

SURVIVING SPOUSES OF EMPLOYEES WHO RETIRED ON OR AFTER JANUARY 1, 2012	
COVERAGE	**PREMIUM SHARE**
Survivor-only coverage	$351
Survivor +1 coverage	$702
Survivor +2 coverage	$1,053
Note: Family contributions are capped at three times the applicable rate.	

FULL PREMIUM SHARE

Surviving spouses of employees who died with less than 15 years of service will pay 100% of the full experience-rated premium. If surviving spouse coverage terms for any reason, the surviving spouse and dependents may not come back to the plan at any time.

SURVIVING SPOUSES OF EMPLOYEES WHO HAVE LESS THAN 15 YEARS OF SERVICE	
COVERAGE	**PREMIUM SHARE**
Survivor-only coverage	$740
Survivor +1 coverage	$1,480
Survivor +2 coverage	$2,220
Note: Family contributions are capped at three times the applicable rate.	

Long-Term Disability (LTD) Terminee Medical Premium Sharing

PARTIAL PREMIUM SHARE

Employees who were hired (or rehired) as listed below and became an LTD Terminee will pay the cost indicated in the table below of the Sandia-sponsored medical plan.

- Employees who became an LTD Terminee after December 31, 1994, but prior to January 1, 2003, pay 10 percent (10%) of the full experience-rated premium for you and your covered dependents.
- Employees who became an LTD Terminee after December 31, 2002, pay 35 percent (35%) of the full experience- rated premium for you and your covered dependents.

MONTHLY SUBSIDY

For employees who were hired (or rehired) as listed below and became an LTD Terminee on or after January 1, 2012, Sandia will pay a monthly subsidy toward your Sandia-sponsored group medical. The subsidy will not increase year-over-year. As healthcare premiums rise, LTD terminees will pay the difference between the premiums and the capped subsidy.

- Non-represented employees who were hired (or rehired) on or before December 31, 2008
- OPEIU-represented employees who were hired (or rehired) on or before June 30, 2009
- MTC- and SPA-represented employees who were hired (or rehired) on or before June 30, 2010

PARTIAL PREMIUM SHARE		
COVERAGE	**10%**	**35%**
Member-only coverage	$74	$259
Member +1 coverage	$148	$518
Member +2 coverage	$222	$777
Note: Family contributions are capped at three times the applicable rate.		

MONTHLY SUBSIDY	
COVERAGE	**PREMIUM SHARE**
Member-only coverage	$234
Member +1 coverage	$468
Member +2 coverage	$702
Note: Family contributions are capped at three times the applicable rate.	

FULL PREMIUM SHARE

Employees who were hired (or rehired) as listed below and became an LTD Terminee will pay 100% of the cost of the Sandia-sponsored medical plan (outlined in the table below).

- Non-represented employees who were hired (or rehired) on or after January 1, 2009
- OPEIU-represented employees who were hired (or rehired) on or after July 1, 2009
- MTC- and SPA-represented employees who were hired (or rehired) on or after July 1, 2010

Note: If you and/or your covered dependents become Medicare Eligible, you and/or your covered dependents will lose medical coverage through Sandia at the end of the month prior to the month in which you and/or your covered dependents became Medicare Eligible. If you and/or your covered dependents become Medicare Eligible, notify OneExchange

FULL PREMIUM SHARE	
COVERAGE	**100%**
Member-only coverage	$740
Member +1 coverage	$1,480
Member +2 coverage	$2,220
Note: Family contributions are capped at three times the applicable rate.	

Vision Affinity Discount Program

Vision care ends at the end of the month in which you retire. Sandia is pleased to provide you with this information about your vision care discount plan administered by Davis Vision, Inc., a leading national administrator of routine vision care programs.

Note that Surviving Spouses and LTD Terminees are not eligible to receive Vision benefits.

WHAT ARE MY SERVICES?

Through special arrangements, Sandia National Laboratories makes discounts on examinations, eyewear and contact lenses available to members. Please note: This

is a discount program only. All existing vision benefits, if any, associated with your health plan still apply. See the schedule on the following page for discounts and fixed charges.

WHO ARE THE NETWORK PROVIDERS?

You may choose from Davis Vision contracting providers or contracted retail locations for discounted services. Use any ophthalmologist for your eye examination. Then, use a Davis Vision contracted network provider for your hardware purchases (eyeglasses, etc.) and maximize your savings. Note: you should verify whether or not the Davis Vision provider accepts outside prescriptions.

All Davis Vision contracted network providers are licensed providers who are extensively reviewed and credentialed to ensure that stringent standards for quality service are maintained. Please call Davis Vision at 1-888-575-0191 to access the Interactive Voice Response (IVR) Unit, which will supply you with the names and addresses of the network provider nearest you, or you may access our website at www.davisvision.com.

HOW DO I RECEIVE SERVICES FROM A DAVIS VISION NETWORK PROVIDER?

- Call the network provider of your choice to schedule an appointment.
- Identify yourself as a Davis Vision plan participant and a Sandia National Laboratories retiree or dependent. This plan is not available to surviving spouses or LTD retirees.
- Provide the office with the retiree's Davis Vision issued ID number or card and the name and date of birth of any covered dependents needing services.

FOR ADDITIONAL INFORMATION

Visit Davis Vision at www.davisvision.com or call 1-888-575-0191. When visiting the web prior to enrollment, please enter client code 7312. Accessing the website or phone number will allow you to:

- Locate a network provider in your area.
- Speak with a Member Service Representative.
- Ask questions about your Vision Care benefits.

MEMBER SERVICE REPRESENTATIVES ARE AVAILABLE:

- Monday through Friday, 6:00 a.m. to 9:00 p.m. MT
- Saturday, 7:00 a.m. to 2:00 p.m. MT
- Sunday, 10:00 a.m. to 2:00 p.m. MT
- Individuals who use a TTY (teletypewriter) because of a hearing or speech disability may access TTY services by calling 1-800-523-2847.

Vision Member Discount Fee Schedule:*

EYE EXAMINATIONS YOU PAY:

Complete Examination	15% off Usual and Customary
Contact Lens Examination	15% off Usual and Customary

FRAMES**

Priced up to $70 retail	$40
Priced above $70 retail	$40, plus 10% off the amount over $70
Lenses (Uncoated plastic)**	
Single Vision	$35
Bifocal	$55
Trifocal	$65
Lenticular	$110

LENS OPTIONS (ADD TO LENS PRICES ABOVE)**

Standard Progressive	$75***
Premium Progressive	$125***
Glass Lenses	$18
Polycarbonate Lenses	$30
Scratch-Resistant Coating	$20
ARC (Anti-reflective coating)	$45
Ultraviolet (UV) Coating	$15
Solid Tint	$10
Gradient Tint	$12
Plastic Photosensitive Lenses	$35
Polarized Lenses	$75
High Index Lenses	$55
Intermediate Lenses	$30
Blended Lenses	$20

CONTACT LENSES

Conventional	20% off Usual and Customary (U & C)
Disposable/Planned Replacement	10% off Usual and Customary (U & C)

OTHER PRODUCTS

DavisVisionContacts.com	Up to 50% off retail prices
Laser Vision Correction Discount	Up to 25% off Providers U&C

* Eye wear discounts are not applicable at WalMart or Sam's Club locations.
** Special lens designs, materials, powers and frames may require additional cost.
*** Or receive an additional 5% discount on any advertised specials -- whichever is lower.

Women's Health and Cancer Rights Act

The medical Programs sponsored by Sandia will not restrict benefits if you or your dependent:

- Receives benefits for a mastectomy; and
- Elects breast reconstruction in connection with the mastectomy.

Benefits will not be restricted provided that the breast reconstruction is performed in a manner determined in consultation with you or your dependent's physician and may include:

- All stages of reconstruction of the breast on which the mastectomy was performed;
- Surgery and reconstruction of the other breast to produce a symmetrical appearance; and
- Prostheses and treatment of physical complications of all stages of mastectomy, including lymphedemas.
- Benefits for breast reconstruction will be subject to annual deductibles and coinsurance amounts consistent with benefits for other covered services under the Program.

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Sandia Prescription Drug Program Creditable Coverage Notice

Sandia Health Benefits Participant:

Please read this notice carefully and keep it where you can find it. This notice has information about your current prescription drug coverage with Sandia National Laboratories and about your options under Medicare's prescription drug coverage. This information can help you decide whether or not you want to join a Medicare prescription drug plan.

If you are considering joining, you should compare your current coverage, including which drugs are covered at what costs, with the coverage and costs of the plans offering Medicare prescription drug coverage in your area. Information about where you can get help to make decisions about your prescription drug coverage is at the end of this notice.

There are two important things you need to know about your current coverage and Medicare's prescription drug coverage:

1. Medicare prescription drug coverage became available in 2006 to everyone with Medicare. You can get this coverage if you join a Medicare Prescription Drug Plan (Part D) or join a Medicare Advantage Plan (like a HMO and PPO) that offers prescription drug coverage. All Medicare prescription drug plans provide at least a standard level of coverage set by Medicare. Some plans may also offer more coverage for a higher monthly premium.
2. Sandia National Laboratories has determined that the prescription drug coverage offered by Sandia Total Health is, on average for all plan participants, expected to pay out as much as standard Medicare prescription drug coverage pays; and therefore, considered Creditable Coverage. Because your existing coverage is Creditable Coverage, you can keep this coverage and not pay a higher premium (a penalty) if you later decide to join a Medicare prescription drug plan.

Note: The Medicare Advantage Plans offered by Sandia provide prescription drug (Part D) coverage. These employer group plans include the Presbyterian MediCare PPO, Lovelace Employer Group Medicare Plan (HMO) provided by BCBSNM, and Kaiser Permanente Senior Advantage Plan. This Notice does not apply to those enrolled in a Sandia-sponsored Medicare Advantage Plan as you will receive this information from Presbyterian MediCare PPO, the Lovelace Employer Group Medicare Plan provided by BCBSNM, or Kaiser Permanente Senior Advantage Plan. In addition, this Notice does not apply to those who enroll in the Your Spending Account option. If you enroll in a Medicare Advantage Plan with prescription drug coverage or a Medicare Part D Prescription Drug Plan through the Your Spending Account option, you will receive explanation of whether or not the

prescription drug coverage is creditable from the Plan. If you do not receive this information, you will need to contact the Plan you are enrolled in.

WHEN CAN YOU JOIN A MEDICARE PRESCRIPTION DRUG PLAN?

You can join a Medicare prescription drug plan when you first become eligible for Medicare and each year from October 15 to December 7.

However, if you lose your current creditable prescription drug coverage through no fault of your own, you will also be eligible for a two (2) month Special Enrollment Period (SEP) to join a Medicare prescription drug plan.

WHAT HAPPENS TO YOUR CURRENT COVERAGE IF YOU DECIDE TO JOIN A MEDICARE PRESCRIPTION DRUG PLAN?

If you are an active employee or a dependent of an active employee and you and/or your dependents join a Medicare prescription drug plan, you and/or your dependents will still be eligible to receive medical and prescription drug benefits through your active Sandia medical plan as follows:

- If you and your dependents (if applicable) are enrolled in Sandia Total Health, you are required to obtain your outpatient prescription drug benefits through your Sandia plan first. You can then file your claims on a secondary basis with your Medicare prescription drug plan.

If you are a Medicare retiree or a Medicare dependent of a retiree and are enrolled in the Presbyterian MediCare PPO, the Lovelace Employer Group Medicare Plan provided by BCBSNM, or the Kaiser Permanente Senior Advantage Plan, and you enroll in another Medicare Prescription Drug Plan; please note that you may lose your Sandia-sponsored medical plan coverage.

Note: There are exceptions for plan participants who have End Stage Renal Disease. Please contact Sandia HBE at the number listed below for more information.

Important: You can only waive prescription drug coverage by waiving the entire medical plan coverage for yourself and your dependents. Remember, if you waive your coverage, you can only re-enroll in the Sandia medical plan:

- during the next Open Enrollment Period with coverage effective January 1 of the following calendar year
- at any time if you have an eligible mid-year election change event

WHEN WILL YOU PAY A HIGHER PREMIUM (PENALTY) TO JOIN A MEDICARE PRESCRIPTION DRUG PLAN?

Important: You should also know that if you drop or lose your current coverage with Sandia National Laboratories and don't join a Medicare prescription drug plan within 63 continuous days after your current coverage ends, you may pay a higher premium (a penalty) to join a Medicare prescription drug plan later.

If you go 63 continuous days or longer without creditable prescription drug coverage, your monthly premium may go up by at least 1% of the Medicare base beneficiary premium per month for every month that you did not have that coverage. For example, if you go nineteen (19) months without creditable coverage, your premium may consistently be at least 19% higher than the Medicare base beneficiary premium. You may have to pay this higher premium (a penalty) for as long as you have Medicare prescription drug coverage. In addition, you may have to wait until the following October to join.

FOR MORE INFORMATION ABOUT THIS NOTICE OR YOUR CURRENT PRESCRIPTION DRUG COVERAGE

Contact the Health, Benefits, Compensation and Employees Services (HBES) at (505) 844-HBES (4237) or 1-800-417-2634, then 844-4237 for further information.

Note: You'll get this notice each year. You will also get it before the next period you can join a Medicare prescription drug plan, and if this coverage through Sandia National Laboratories changes. You also may request a copy of this notice.

FOR MORE INFORMATION ABOUT YOUR OPTIONS UNDER MEDICARE PRESCRIPTION DRUG COVERAGE

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

FOR MORE INFORMATION ABOUT MEDICARE PRESCRIPTION DRUG COVERAGE:

- Visit www.medicare.gov.
- Call your State Health Insurance Assistance Program (see the inside back cover of your copy of the Medicare & You handbook for their telephone number) for personalized help.
- Call 1-800-MEDICARE (1-800-633-4227).
- TTY/TDD users should call 1-877-486-2048.

If you have limited income and resources, extra help paying for Medicare prescription drug coverage is available. For information about this extra help, visit the Social Security Administration on the web at www.socialsecurity.gov or call them at 1-800-772-1213 (TTY 1-800-325-0778).

Remember: Keep this Creditable Coverage Notice. If you decide to join one of the Medicare prescription drug plans, you may be required to provide a copy of this Notice when you join to show whether or not you have maintained creditable coverage and, therefore, whether or not you are required to pay a higher premium (a penalty).

Date: October 1, 2016
Name of Entity/Sender: Sandia National Laboratories
Contact–Position/Office: Benefits Department
Address: 1515 Eubank SE, MS-1022
Albuquerque, NM 87123-1022
Phone Number: 505-844-HBES (4237)

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Frequently Asked Questions for PreMedicare Retirees

Healthcare decisions are important and can be confusing. It's our job to make these decisions easier. Below is a list of questions and answers for the most frequently asked questions.

Q1: I received a 2017 Benefits Choices and Enrollment Guide for PreMedicare Retirees for me. My Medicare spouse received a 2017 Benefits Choices and Enrollment Guide for Medicare Retirees. Does the information in the Medicare Guide apply to my spouse?

Yes. The 2017 Benefits Choices and Enrollment Guide for Medicare Retirees applies to Medicare retirees, surviving spouses, long-term disability terminees, as well as any dependents who are eligible for Medicare.

Q2: I am a PreMedicare retiree and my spouse is Medicare-eligible, what options do we have?

You will have the option of enrolling in the Sandia Total Health, administered by UHC, BCBSNM, or Kaiser Permanente (Northern California only). Your spouse will have the option of enrolling in a Sandia-sponsored Medicare Advantage plan or the Your Spending Account option. Please refer to the 2017 Benefits Choices and Enrollment Guide for Medicare Retirees for more information on your spouse's options.

Q3: I am a Medicare retiree and my spouse is not eligible for Medicare, so my spouse will enroll in Sandia Total Health. Does my spouse need to complete a health assessment to have his/her Health Reimbursement Account (HRA) fully funded?

Yes. Under your circumstance, your spouse needs to complete a health assessment. Your spouse will automatically receive the HRA funds through the medical plan in which he/she is enrolled, but you will not as Medicare is not eligible for HRA.

Q4. I am not age 65, but I have become disabled and eligible for Medicare. Do I need to make a change mid year or at the open enrollment?

Within 30 days following the date you are eligible for Medicare disability, you should contact OneExchange to disenroll from the Sandia Total Health care coverage and enroll into a Medicare plan. You are not eligible for the Sandia pre65 group medical plan once you become Medicare eligible. You will be required to enroll into a Medicare plan through OneExchange to continue participating in Sandia Retiree Benefits.

Q5: I retired from Sandia, and I fall in the PreMedicare category. My spouse is on Medicare. Does my spouse need to complete the health assessment?

No, Medicare retirees are not eligible to receive HRA funds. The HRA is for individuals enrolled in Sandia Total Health, so only the PreMedicare member takes the Health Assessment.

Q6: I am a Medicare retiree, and my spouse is PreMedicare and will receive HRA funds. Can the HRA be used to reimburse my Medicare expenses?

No. HRA funds can only be used to reimburse eligible PreMedicare medical, prescription drug, dental, and vision expenses.

Q7: I am the Medicare retiree and my covered spouse will turn 65 in March. What does he/she need to do?

Your spouse will need to enroll in Medicare Part A and B, for an effective date of March 1, 2017. OneExchange will make contact approximately two months before March to get your spouse enrolled. Your spouse can enroll in any plan, regardless of the option you selected. For example, your spouse can enroll in the Sandia-sponsored Presbyterian MediCare PPO even if you are enrolled in the Sandia-sponsored Lovelace Employer Group Medicare Plan provided by BCBSNM. If your spouse does not hear from OneExchange by the end of January, your spouse should contact OneExchange.

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