

# UNDERSTANDING CHANGES to the

## GM SALARIED RETIREE HEALTH CARE PROGRAM



Effective January 1, 2009, health care benefits will be cancelled for General Motors Salaried Retirees, Surviving Spouses and their eligible dependents who are age 65 or older.

### Age 65 or Older?

Read this brochure carefully to determine what steps you need to take regarding your health care benefits.

### Age 64 or Younger?

Your coverage will continue until you reach age 65; this brochure is informational only. No action is currently necessary.

## Understanding Your Health Care Benefits Can Be Challenging

---

This guide is designed to help salaried retirees, surviving spouses and their eligible dependents who are **age 65 or older** make sound and timely choices regarding their health care benefits.

**If you, your spouse, or other eligible dependent is age 64 or younger, you will remain covered under the GM Salaried Retiree Health Care Program until you reach age 65. Please refer to Annual Enrollment materials mailed from GM in late October. This guide does not currently apply to you. Information will be sent to you approximately three months before you reach age 65.**

General Motors has selected Extend Health as our exclusive partner to help salaried retirees, surviving spouses, and their eligible dependents age 65 or older with this transition. This will ensure that individuals make informed and confident choices regarding their health care benefits. Extend Health's licensed Benefit Advisors will be your advocate – helping you find and enroll in the plan(s) that best serves your medical needs and fits your budget. This brochure will help answer your questions to the change in the Salaried Retiree Health Care Program and what you can expect from Extend Health. More importantly, it will provide you with the guidance you need to make the important choices about your health care for 2009.

## In This Brochure You'll Find Information On:

- The change to the GM Salaried Retiree Health Care Program
- Extend Health
- Medicare plans

Extend Health will guide you through the entire process including enrollment in the plan(s) you choose. Extend Health's online tools, as well as access to telephone Benefit Advisors, are provided AT NO COST TO YOU.



## REMINDER: Open Enrollment Deadline

On January 1, 2009, GM Salaried Retiree Health Care benefit changes go into effect. You **MUST** enroll in an individual Medicare health plan prior to this date to avoid any lapse in medical coverage.

## Why the Change?

---

### *Confronting today's challenge*

Since the first of the year General Motors, as well as the entire auto industry, has found the market and economic conditions in the U.S. significantly more difficult. These conditions required GM to take many actions to protect the future of the company. The change to the GM Salaried Health Care Program was one of several actions that GM announced in July 2008.

Our goal is to provide impacted salaried retirees, surviving spouses and their dependents age 65 or older with the tools to make a smooth transition to individual health care plan(s). To help offset the cost of individual health care plans, GM will provide eligible retirees and surviving spouses with a \$300 monthly pension benefit.

### Salaried Retiree Medical Coverage

**No longer eligible for GM SALARIED RETIREE HEALTH CARE PROGRAM**

#### **Age 65 and Over**

First day of the month in which retiree, surviving spouse or eligible dependent turns age 65. (If you turn 65 on the 1st day of the month, your health care coverage will cancel the first day of the prior month in accordance with Medicare rules.)

**RECEIVE MONTHLY \$300 PENSION BENEFIT, IF ELIGIBLE.**

## Introducing Extend Health

---

### *Your transition to an individual medical plan*

To help you make informed decisions, we have partnered with Extend Health. Extend Health's licensed Benefit Advisors will be your advocates and will help you compare the Medicare plans. These trained licensed advisors are objective, knowledgeable and will be available to support and assist you in making these important decisions. They will guide you through the entire process including enrollment in the plan(s) you choose. The wide array of Medicare plans allows you to personalize your coverage and control your costs. Extend Health's online tools, as well as access to Benefit Advisors, are provided AT NO COST TO YOU.

Extend Health is dedicated to making the transition to your 2009 health coverage as easy and as straightforward as possible.

With Extend Health's assistance, retirees gain access to the individual Medicare marketplace. Extend Health offers a wide range of plan choices from national and regional insurance carriers.

Extend Health will provide you and your eligible family members with personalized assistance in order to choose the individual Medicare coverage that best fits your needs. An experienced and objective Extend Health Benefit Advisor can provide:

- Assistance with enrolling in medical, prescription drug, vision and dental plans.
- Assistance in understanding the differences between various plans and the costs of each of those plans.
- Individualized telephone support to help you make an informed and confident Medicare enrollment decision for 2009. Licensed Benefit Advisors will be available to take your calls during your enrollment period.

Once you have enrolled, you will continue to receive assistance and information from Extend Health.

**For those interested in using the Internet, beginning with your enrollment period, you can obtain educational information, evaluate your options, and find enrollment information at [www.extendhealth.com/GM](http://www.extendhealth.com/GM).**

You will be fully supported through each of these steps by licensed Benefit Advisors from Extend Health, and through Extend Health's extensive online tools.

## Steps Toward Enrollment

---

### *A step-by-step guide to enrolling in Medicare*

Beginning in mid-October, Extend Health will begin the process of helping you evaluate and enroll in the individual Medicare plan(s) that best fit your needs. Extend Health has identified three steps in completing this process – **Education, Evaluation and Enrollment.**

#### 1. Education

**Extend Health will be mailing you a Save the Date postcard** toward the end of September to indicate when Extend Health will be mailing a *Welcome and Enrollment Guide* containing your dedicated enrollment time period.

**Beginning in mid-October and no later than November 5, 2008**, a *Welcome and Enrollment Guide* will be mailed to each eligible retiree household. These materials will be mailed to your home 10 days prior to your enrollment start date. This guide will include: helpful information on eligibility, plan options, and will refer you to Extend Health's online tools. Due to the number of GM retirees that will be calling Extend Health, you will also be provided a 'dedicated time' to call Extend Health's licensed Benefit Advisor's for enrollment assistance. This 'dedicated time' will be a pre-assigned set of days in which you will receive personalized service.

#### 2. Evaluation

After reviewing the *Welcome and Enrollment Guide* and/or visiting the Extend Health website, you will review the plan options available to you when speaking with a licensed Benefit Advisor. During your call, your Benefit Advisor will ask for your medical background. Use the worksheet in this brochure to prepare for your call. After answering the questions, your Benefit Advisor will make plan recommendations in order to help you understand which options make sense for you. This will give you the opportunity to compare your options and decide what level of coverages and benefits you require to best meet your medical needs and budget.

#### 3. Enrollment

A licensed Extend Health Benefit Advisor will expedite the process of enrollment, assist you with all applications, and help you apply for and enroll in the individual Medicare plan(s) you choose. You should enroll by December 31, 2008, to ensure coverage for 2009.

## Become Familiar With Medicare

---

*How Medigap and Parts A, B, C & D provide you with coverage.*

Medicare has several parts. To decide how to best meet your medical needs and budget, it helps to understand how these parts work together. The following is a simple outline of Medicare and it is intended to provide you with a basic understanding of the kinds of decisions you may be required to make. This outline is general in nature and you should consult one of Extend Health's licensed Benefit Advisors or an expert of your own choosing to learn more about Medicare and how it applies to your personal circumstances.

### Part A and Part B

Original Medicare, managed by the U.S. Federal Government, consists of **Part A** and **Part B**. Typically, you are eligible for Parts A and B when you become Medicare-eligible due to age or disability. Most people are not required to pay a premium for Part A because they, or a spouse, already paid for Part A through their payroll taxes while working. However, you will pay a monthly premium for Part B.

- **Part A – Hospital**

Provides you with inpatient care, and covers inpatient hospital stays, home health care, stays in skilled nursing facilities, and hospice care.

- **Part B – Professional Services**

Provides you with outpatient care, and covers physician fees and some other medical services not requiring hospitalization. You choose to enroll in Part B. Both Part A and Part B include out-of-pocket costs, like copayments, coinsurance and deductibles. If you have Original Medicare, you may want to consider purchasing a Medigap or additional policy to cover these costs.

### Medigap

This type of plan is supplemental insurance sold by private insurance companies to fill "gaps" in Original Medicare Plan coverages under Part A and Part B. You must have Medicare Part A and Part B to purchase a Medigap policy. If you purchase a Medigap policy and wish to have coverage for prescription drugs, you must also select a Part D plan separately.

### Part D – Prescription Drugs

This refers to prescription drug coverage. Plans are offered through insurance companies approved by Medicare. Part D plans generally require a monthly premium. There are two ways to enroll in Medicare Prescription Drug coverage:

1. Join a Medicare Prescription Drug Plan (PDP). These plans add drug coverage to Original Medicare.
2. Join a Medicare Advantage Plan (MAPD), such as an HMO or PPO. See below for more information on MA plans.

### Medicare Advantage Plan (Also known as Part C)

This type of plan approved by Medicare is offered by insurance companies that will provide you with all Medicare Part A and Part B benefits plus additional benefits. There are two types of Medicare Advantage Plans: MAPD, which includes prescription drug coverage, and MA, which does not. Under these two types of Medicare Advantage Plans there may be three doctor networks: HMO, PPO, and Private Fee-for-Service Plans (PFFS).

## HOW TO DECIDE:

Choosing the best combination of plans requires some education and a comparison of plan features and costs. For additional details on the options available, please review the following pages for a description of each plan type.

## Medicare Summary Chart

Type	What does it cover?	How do I enroll?	Is there a premium?	What is the deductible?	Co-insurance
<b>Part A</b>	Part A covers hospice care, home health care, skilled nursing facilities, and inpatient hospital stays.	Enrollment is automatic when you become Medicare-eligible.	There is no premium for Part A if you have paid more than 10 years of payroll taxes through your employer.	For 2008, the Part A deductible is \$1,040 for your first 60 days of inpatient care.	There is no coinsurance for your first 60 days of inpatient care.
<b>Part B</b>	Part B covers physician fees, outpatient hospital care, some preventive services and therapies, diagnostic tests, durable medical equipment, and other medical services not requiring hospitalization.	You must choose to enroll. A premium penalty is applied if you do not enroll when you first become Medicare-eligible.	Yes. The monthly premium for 2008 is \$96.40*. <i>*high income premium rates apply</i>	There is a Part B annual deductible of \$135 for 2008.	Part B covers 80% of medically necessary services. You are responsible for the remaining 20%. Part B covers 50% of approved outpatient mental health services.
<b>Medigap</b>	Medigap is Medicare supplemental insurance sold by private insurance companies to fill "gaps" in Original Medicare Plan coverage. There are 12 standardized plans labeled 'Plan A through Plan L'. <b>Medigap policies only work in conjunction with the Original Medicare Plan.</b> There is no prescription drug coverage included in a new Medigap policy due to the availability of Part D.	Enrollment is voluntary.	Yes, you will pay a monthly premium to the insurance company you choose.	Deductible amount depends on the plan you choose.	Co-insurance amount depends on the plan you choose.
<b>Part D</b>	Part D covers generic and brand-name drugs included in the plan's formulary, which is a list of drugs covered by the plan.	Enrollment is voluntary. A premium penalty is applied if you do not enroll when you first become Medicare-eligible.	Whether you pay a Part D premium, deductible or co-insurance depends on the plan you choose, as each Part D plan has different cost-sharing structure. Depending on the plan, you may pay both a monthly premium and a share of the cost of your prescriptions.		

Type	What does it cover?	How do I enroll?	Is there a premium?	What is the deductible?	Co-insurance
<b>Part C</b>	<p><b>Medicare Advantage Plans</b> are health plan options that are part of the Medicare program. These plans are approved by Medicare and run by private insurance companies. If you join one of these plans, they provide all of your Part A (hospital) and Part B (medical) coverage. They generally offer extra benefits, and many include prescription drug coverage. Medicare Advantage (MA) Plans include:</p> <ol style="list-style-type: none"> <li>1. Private Fee-for-Service Plans (PFFS)</li> <li>2. Preferred Provider Organizations (PPO)</li> <li>3. Health Maintenance Organizations (HMOs)</li> </ol> <p>When you join a Medicare Advantage Plan, you use the health insurance card that you receive from the plan for your health care. In most of these plans, generally there are extra benefits and lower copayments than in the Original Medicare Plan. These plans often have networks, which means you may have to see doctors who belong to the plan or go to certain hospitals to get covered services. Some of these plans require referrals to see specialists.</p> <p>To join a Medicare Advantage Plan, you must have Medicare Part A and Part B. You will have to pay your monthly Medicare Part B premium to Medicare. In addition, you might have to pay a monthly premium to your Medicare Advantage Plan for the extra benefits that they offer.</p>				
<b>1. Private Fee-for-Service (PFFS)</b>	A type of Medicare Advantage (MA) plan that provides beneficiaries with all their Medicare benefits plus any additional benefits the MA plan decides to provide. One major difference between a PFFS plan and other MA plans is that, in most cases, people who join a PFFS plan are not required to use a network of providers. Beneficiaries can see any provider who is eligible to receive payment from Medicare and agrees to accept payment from the PFFS plan.	Enrollment is voluntary.		Each Medicare Advantage plan sets its own premium, deductible and co-insurance. In addition, you must continue to pay your Medicare Part B premiums.	
<b>2. Preferred Provider Organization (PPO)</b>	A type of Medicare Advantage Plan available in a local or regional area in which you pay less if you use doctors, hospitals, and providers that belong to the network. You can use doctors, hospitals, and providers outside of the network for an additional cost.	Enrollment is voluntary.		Each Medicare Advantage plan sets its own premium, deductible and co-insurance. In addition, you must continue to pay your Medicare Part B premiums.	
<b>3. Health Maintenance Organization (HMO)</b>	A type of Medicare Advantage Plan that is available in most areas of the country. Plans must cover all Medicare Part A and Part B health care. Some HMOs cover extra benefits, like extra days in the hospital. In most HMOs, you can only go to doctors, specialists, or hospitals on the plan's list except in an emergency. Your costs may be lower than in the Original Medicare Plan.	Enrollment is voluntary.		Each Medicare Advantage plan sets its own premium, deductible and co-insurance. In addition, you must continue to pay your Medicare Part B premiums.	



## LEARNING THE LANGUAGE.

Medicare can be a confusing system. It is helpful to understand the basic components of Medicare coverage. Here is a list explaining some of the common terms you will need to understand.

## Glossary of Terms

**CO-INSURANCE:** A set percentage of covered expenses that you must pay out-of-pocket.

**CO-PAYMENT (CO-PAY):** A set charge, collected at the time of service and paid by you for certain services including prescription drugs.

**DEDUCTIBLE:** The amount paid out-of-pocket toward covered medical expenses before the plan begins paying.

**“GAP”:** Medicare drug plans may have a “coverage gap,” sometimes called the “donut hole.” If applicable, in 2008, after your total yearly drug costs reach \$2510, you pay 100% until your annual out-of-pocket drug costs reach \$4050. Most plans offer generic drug coverage in the GAP.

**OUT-OF-POCKET MAXIMUM:** The maximum you will pay each year for deductibles and/or co-insurance.

**MEDICARE ADVANTAGE PLANS:** These are health plan options that are approved by Medicare but run by private companies. The types of Medicare Advantage Plans are: HMOs, PPOs, and Private Fee-for-Service (PFFS).

**MEDIGAP (MEDICARE SUPPLEMENT INSURANCE) POLICIES:** These policies are sold by insurance companies to fill gaps in original Medicare Plan coverage. In general, with a Medigap policy, beneficiaries get help paying for some of the health care costs not covered by the Original Medicare Plan.

**Part D (MEDICARE PRESCRIPTION DRUG PLANS):** These stand-alone plans provide prescription drug coverage to the Original Medicare Plan and some Medicare Private Fee-for-Service plans. Medicare Prescription Drug plans are offered by insurance companies approved by Medicare.



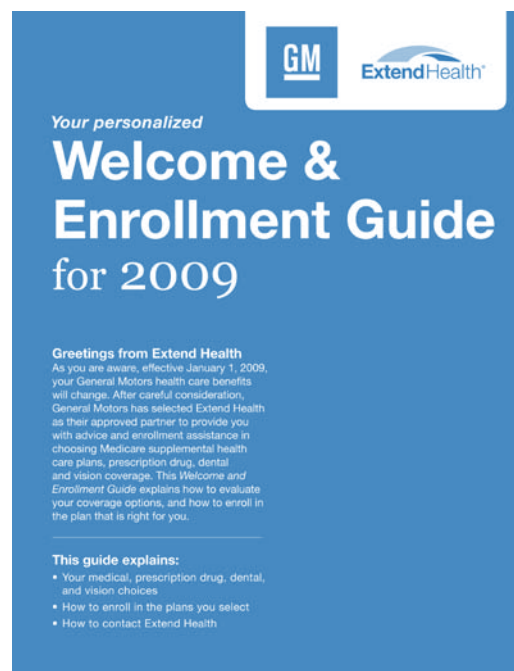
## Welcome and Enrollment Guide

### *A Welcome and Enrollment Guide from Extend Health is coming*

The next communication you will receive from Extend Health is a "Save the Date" postcard informing you when your personalized *Welcome and Enrollment Guide* will be mailed to your home. You should receive this postcard toward the end of September.

**Beginning in mid-October and no later than November 5, 2008,** a *Welcome and Enrollment Guide* will be mailed to each salaried retiree post-age 65 household. These materials will be mailed to your home 10 days prior to your enrollment start date. Due to the number of GM retirees that will be calling Extend Health, you will also be provided a 'dedicated time' to call Extend Health's licensed Benefit Advisors for enrollment assistance. This 'dedicated time' will be a pre-assigned set of days in which you will receive personalized service. In the *Welcome and Enrollment Guide* you will find:

- Your dedicated time to call Extend Health's Benefit Advisors for assistance, helpful information on eligibility, plan options, and other key facts.
- The clearly defined steps you should take towards successful enrollment.
- A worksheet for you to gather your health history. Get started now as the same worksheet is included in this brochure on page 11. The completed worksheet will help your licensed Extend Health Benefit Advisor enroll you in the individual Medicare plan(s) that best fits your needs.
- Additional education materials helping you to choose the best individual medical, dental, and vision plan coverage.



Due to the number of GM retirees that will be calling Extend Health, you will be provided a 'dedicated time' to call Extend Health's licensed Benefit Advisor's for enrollment assistance.

## REMINDER: Open Enrollment Deadline

On January 1, 2009, GM Salaried Retiree Health Care benefit changes go into effect. You MUST enroll in an individual Medicare health plan prior to this date to avoid any lapse in medical coverage.

## What Happens Next?

---

### *Important dates you should remember*

The dates below are important to note as you begin the transition to the individual Medicare plans you choose. These dates indicate the actions and events required to enroll in a new Medicare plan by the open enrollment deadlines.

#### **END OF SEPTEMBER: Save the Date Postcard**

This postcard will indicate when Extend Health will be mailing your personalized *Welcome and Enrollment Guide*.

#### **OCTOBER: Welcome and Enrollment Guide**

A *Welcome and Enrollment Guide* will be mailed to each retiree household beginning in mid-October and no later than November 5, 2008. These materials will be mailed to your home 10 days prior to your enrollment window start date. Due to the number of GM retirees that will be calling Extend Health, you will also be provided a 'dedicated time' to call Extend Health's licensed Benefit Advisors for enrollment assistance. This 'dedicated time' will be a pre-assigned set of days in which you will receive personalized service.

#### **MID OCTOBER TO MID NOVEMBER: Call Extend Health**

After reviewing the *Welcome and Enrollment Guide* and Extend Health's online tools, call the phone number provided in the *Welcome and Enrollment Guide* to speak with a licensed Extend Health Benefit Advisor. Your Benefit Advisor will answer your questions and help you enroll in the individual Medicare plans that best fit your needs.

## Get Started TODAY!

You will need the information below to help you choose a new plan. Use this worksheet as a guide, so you are prepared when you call an Extend Health Benefit Advisor.

	Yourself	Your Spouse																																										
<p><b>Make a list of your prescribed medications</b></p> <p><i>Include the dosage and monthly quantity of each prescription.</i></p>	<table border="1"> <thead> <tr> <th>Medication Name</th> <th>Dosage</th> <th>Qty.</th> </tr> </thead> <tbody> <tr><td>_____</td><td>_____</td><td>_____</td></tr> <tr><td>_____</td><td>_____</td><td>_____</td></tr> <tr><td>_____</td><td>_____</td><td>_____</td></tr> <tr><td>_____</td><td>_____</td><td>_____</td></tr> <tr><td>_____</td><td>_____</td><td>_____</td></tr> <tr><td>_____</td><td>_____</td><td>_____</td></tr> </tbody> </table>	Medication Name	Dosage	Qty.	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____	<table border="1"> <thead> <tr> <th>Medication Name</th> <th>Dosage</th> <th>Qty.</th> </tr> </thead> <tbody> <tr><td>_____</td><td>_____</td><td>_____</td></tr> <tr><td>_____</td><td>_____</td><td>_____</td></tr> <tr><td>_____</td><td>_____</td><td>_____</td></tr> <tr><td>_____</td><td>_____</td><td>_____</td></tr> <tr><td>_____</td><td>_____</td><td>_____</td></tr> <tr><td>_____</td><td>_____</td><td>_____</td></tr> </tbody> </table>	Medication Name	Dosage	Qty.	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
Medication Name	Dosage	Qty.																																										
_____	_____	_____																																										
_____	_____	_____																																										
_____	_____	_____																																										
_____	_____	_____																																										
_____	_____	_____																																										
_____	_____	_____																																										
Medication Name	Dosage	Qty.																																										
_____	_____	_____																																										
_____	_____	_____																																										
_____	_____	_____																																										
_____	_____	_____																																										
_____	_____	_____																																										
_____	_____	_____																																										
<p><b>List your doctors' names and phone numbers</b></p>	<table border="1"> <thead> <tr> <th>Name</th> <th>Telephone</th> </tr> </thead> <tbody> <tr><td>_____</td><td>_____</td></tr> <tr><td>_____</td><td>_____</td></tr> <tr><td>_____</td><td>_____</td></tr> <tr><td>_____</td><td>_____</td></tr> </tbody> </table>	Name	Telephone	_____	_____	_____	_____	_____	_____	_____	_____	<table border="1"> <thead> <tr> <th>Name</th> <th>Telephone</th> </tr> </thead> <tbody> <tr><td>_____</td><td>_____</td></tr> <tr><td>_____</td><td>_____</td></tr> <tr><td>_____</td><td>_____</td></tr> <tr><td>_____</td><td>_____</td></tr> </tbody> </table>	Name	Telephone	_____	_____	_____	_____	_____	_____	_____	_____																						
Name	Telephone																																											
_____	_____																																											
_____	_____																																											
_____	_____																																											
_____	_____																																											
Name	Telephone																																											
_____	_____																																											
_____	_____																																											
_____	_____																																											
_____	_____																																											
<p><b>Make note of any of your special health care needs</b></p>	<p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p><i>This information will help match you with the right plan.</i></p>	<p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p><i>This information will help match you with the right plan.</i></p>																																										
<p><b>States and zip codes of residence or travel</b></p>	<p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p>	<p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p>																																										
<p><b>Dental or vision needs?</b></p>	<p>Dental Yes <input type="checkbox"/> No <input type="checkbox"/></p> <p>Vision Yes <input type="checkbox"/> No <input type="checkbox"/></p>	<p>Dental Yes <input type="checkbox"/> No <input type="checkbox"/></p> <p>Vision Yes <input type="checkbox"/> No <input type="checkbox"/></p>																																										
<p><b>Please list the Medicare number found on your ID card and the effective dates for Parts A and B</b></p>	<p>Medicare Number _____</p> <p>Part A Effective Date _____</p> <p>Part B Effective Date _____</p> <p><i>Note: This will ensure accurate enrollment</i></p>	<p>Medicare Number _____</p> <p>Part A Effective Date _____</p> <p>Part B Effective Date _____</p> <p><i>Note: This will ensure accurate enrollment</i></p>																																										

## Change of Address

If you would like Extend Health to mail your Welcome Kit to a different address, please mail your name, address, city, state, ZIP and phone number to the following address **no later than October 6, 2008**.

Extend Health

P.O. Box 522304

Salt Lake City, Utah 84152-2034

*The information in this document briefly describes certain General Motors Salaried Health Care Program features, as well as other programs and benefits. It does not cover details about the Programs, which are found in plan documents that have the final word over any other oral or written statement. General Motors reserves the right to amend, modify, suspend or terminate any of its benefit plans or programs at any time by the action of the Board of Directors, or individual or other committee expressly authorized by the Board to take such action. This document and the benefits described within do not imply any guarantees.*