

# **U.S. PFIZER RETIREE MEDICAL PLAN**

## **Examples to Help Retirees Understand How the 2012 Plan Options Work**

*NOTE: This document is intended to provide an illustration of how the 2012 options under the U.S. Pfizer Retiree Medical Plan work. Note that not all options are available to all retirees. In the event of a discrepancy between this document and the plan document, the official plan documents control. The Company reserves the right to amend, modify or terminate the Plan at any time.*

# Options for Retirees Under Age 65

Benefit Provision	Retiree PPO		High Deductible PPO	
	<u>In-Network</u>	<u>Out-of-Network</u>	<u>In-Network</u>	<u>Out-of-Network</u>
<b>Deductible</b> -Individual -Family	\$700 \$1,750	\$1,400 \$3,500	\$3,000 \$7,500	\$6,000 \$15,000
<b>Coinsurance</b>	Pfizer pays 80%; You pay 20%	Pfizer pays 60%; You pay 40%	Pfizer pays 80%; You pay 20%	Pfizer pays 60%; You pay 40%
<b>Out-of-Pocket Limit</b> (includes deductible) -Individual -Family	\$4,000 \$6,500	\$7,000 \$13,000	\$7,000 \$12,500	\$10,500 \$18,500
<b>Preventive Care</b>	Covered at 100%	Covered at 100%	Covered at 100%	Covered at 100%
<b>Prescription Drugs</b> (based on a 30-day supply)	Pfizer drugs covered at 100%		Pfizer drugs covered at 100%	
	Non-Pfizer covered at 80% with \$5 minimum* / \$100 maximum		Non-Pfizer covered at 70% with \$10 minimum* / \$120 maximum	
<b>Prescription Drug Out-of-Pocket Limit</b>	Individual: \$3,500 Family: \$5,500		Individual: \$3,500 Family: \$5,500	

**Choose your plan administrator/network of service providers by electing either UnitedHealthcare (UHC) or Horizon. Vision coverage is included in both the Retiree PPO and High Deductible options through UHC Vision.**

\* Unless the total cost of the prescription is less, in which case you pay the lesser of the minimum copay or the cost of the prescription.

## Example for Retirees Under Age 65

Here is an example of how the same covered services would be paid under each option.

Covered Service	Cost of Service	Retiree PPO		High Deductible PPO	
		Plan Pays	Retiree Pays	Plan Pays	Retiree Pays
Preventive Care Office Visit	\$200	\$200	\$0	\$200	\$0
Cost of Surgery	\$2,400				
Annual In-Network Deductible		\$0	\$700	\$0	\$2,400
Coinsurance (paid after deductible is met)		\$1,360 (80% of \$1,700)	\$340	\$0	\$0
3 Regular Office/Specialist Visits	\$300	\$240 (80% of \$300)	\$60	\$0	\$300
6 Pfizer Prescription Drugs	\$600	\$600 (100% of \$600)	\$0	\$600 (100% of \$600)	\$0
2 Non-Pfizer Prescription Drugs	\$200	\$160 (80% of \$200)	\$40	\$140 (70% of \$200)	\$60
<b>Total Costs (excluding contributions)</b>	<b>\$3,700</b>	<b>\$2,560</b>	<b>\$1,140</b>	<b>\$940</b>	<b>\$2,760</b>

**The two options differ in how much the Plan pays as well as the monthly contribution for coverage. Refer to your personal fact sheet for required contributions.**

Note: Examples are for illustration purposes only. Actual costs for medical care services may vary.

# Options for Retirees Age 65 or Older

Benefit Provision	Medicare Carve Out	Medicare Exclusion	Prescription Drug Only
<b>Deductible</b> -Individual -Family	\$500 \$1,000	\$500 \$1,000	No coverage
<b>Coinsurance - subject to coordination with Medicare</b>	Pfizer/Medicare pays 80%; you pay 20%	After Medicare, Pfizer pays 80%; you pay 20%	No coverage
<b>Out-of-Pocket Limit</b> (includes deductible) -Individual -Family	\$3,500 \$5,500	\$3,500 \$5,500	No coverage
<b>Medicare Coordination</b>	Carve-out	Exclusion	Not applicable
<b>Preventive Care</b>	Covered at 100%	Covered at 100%	No coverage
<b>Prescription Drugs</b> <b>(Based on 30-day supply)</b>	Pfizer drugs covered at 100%	Pfizer drugs covered at 100%	Pfizer drugs covered at 100%
	Non-Pfizer covered at 80% with \$5 minimum* / \$100 maximum	Non-Pfizer covered at 80% with \$5 minimum* / \$100 maximum	Non-Pfizer covered at 80% with \$5 minimum* / \$100 maximum
<b>Prescription Drug Out-of-Pocket Limit</b>	Individual: \$3,500 Family: \$5,500	Individual: \$3,500 Family: \$5,500	Individual: \$3,500 Family: \$5,500

**Choose your plan administrator by electing either UnitedHealthcare (UHC) or Horizon. Vision coverage is included in both the Medicare Carve Out and Medicare Exclusion options through UHC Vision. Prescription Drug Only does not provide for any medical coverage including vision.**

\* Unless the total cost of the prescription is less, in which case you pay the lesser of the minimum copay or the cost of the prescription.

## Example for Retirees Age 65 or Older

Here is an example of how the same covered services would be coordinated with Medicare and paid under the Medicare Carve Out and the Medicare Exclusion options. This example assumes it is your first claim of the year and your deductible has not been satisfied.

As a reminder, the Plan pays as if Medicare is your primary coverage even if you do not enroll and assumes your doctor participates in Medicare.

### Summary of Covered Services and Billed Charges

Services	Billed Charges
Hospital Inpatient	\$4,000
Hospital Outpatient	\$3,000
Physician	<u>\$1,500</u>
<b>Total Billed Charges</b>	<b>\$8,500</b>

Note: Examples are for illustration purposes only. Actual costs for medical care services may vary.

## Example: Retiree Age 65 or Older *continued*

<b>Step 1: Determine amount the Pfizer Plan would pay without Medicare</b>	
Billed Charges and Medicare Allowable	\$8,500
Annual Plan Deductible – paid by retiree	(\$500)
Coinsurance – paid by retiree (20% x (\$8,500-\$500))	(\$1,600)
<b>Amount the Pfizer Plan would pay without Medicare</b>	<b>\$6,400</b>

<b>Step 2: Determine What Medicare Pays*</b>	
Billed Charges and Medicare Allowable	\$8,500
Medicare - Part A Deductible – paid by retiree	(\$1,132)
Medicare - Part B Deductible – paid by retiree	(\$162)
Medicare - Part B Coinsurance (20% x (\$4,500-\$162)) – paid by retiree	(\$868)
<b>Medicare Pays</b>	<b>\$6,338</b>

Note: Examples are for illustration purposes only. Actual costs for medical care services may vary.

\* Reminder This calculation still applies under the Plan even if your doctor does not participate in Medicare.

## Example: Retiree Age 65 or Older *continued*

Step 3: Determine amount paid by Pfizer plan options	Plan Pays
<p><b><u>Carve-Out Option:</u></b>            Pfizer Plan Without Medicare Would Pay (\$6,400) – Medicare Pays* (\$6,338)</p>	<p><b>\$62</b></p>
<p><b><u>Exclusion Option:</u></b>            Balance Remaining after Medicare Payments (\$8,500-\$6,338)            Annual Plan Deductible – paid by retiree            Coinsurance (20% x (\$2,162-\$500)) – paid by retiree</p> <p>Pfizer Plan Pays</p>	<p>\$2,162            (\$500)            (\$332)</p> <p><b>\$1,330</b></p>

Note: Examples are for illustration purposes only. Actual costs for medical care services may vary.

\* Reminder This calculation still applies under the Plan even if your doctor does not participate in Medicare.

## Example: Retiree Age 65 or Older *continued*

Summary of how services will be paid	Carve-Out	Exclusion
Billed Charges	\$8,500	\$8,500
Minus What Medicare Pays	(\$6,338)	(\$6,338)
Minus What the Pfizer Plan Pays	(\$62)	(\$1,330)
<b><i>Retiree Pays (excluding contributions)</i></b>	<b>\$2,100</b>	<b>\$832</b>

The two options differ in how medical benefits are paid after Medicare as well as monthly contributions. Refer to your personal fact sheet for required contributions.