

A decorative graphic on the left side of the page consists of two overlapping circles. The top circle is light blue and contains a pattern of white dots arranged in a cross-like shape. The bottom circle is a vibrant lime green. The title text is centered within the light blue circle.

Understanding AT&T MedicareRx Coverage

What's Inside

Understanding AT&T MedicareRx Coverage.....	3
So, What is AT&T MedicareRx?	3
AT&T MedicareRx Coverage Details	4
Filling Your Prescriptions.....	4
Filling Prescriptions for Specialty Medications	5
Extra Help May be Available.....	6
Late Enrollment Penalty	6
Income-Related Monthly Adjustment Amount.....	6
Prescription Drug Coverage Comparison Chart.....	7
AT&T MedicareRx Enrollment.....	8
Opting Out of AT&T MedicareRx	9
What's Next.....	10
Prescription Drug ID Cards	10
Additional Resources.....	11
AT&T MedicareRx Coverage: Frequently Asked Questions.....	12

❖ This document was written to make it easier to read. So, sometimes it uses informal language, like “AT&T employees,” instead of precise legal terms. Also, this is only a summary, and your particular situation could be handled differently. Specific details about your benefits, including eligibility rules, are in the summary plan descriptions (SPDs), summaries of material modifications (SMMs) or the plan documents. The plan documents always govern, and they are the final authority on the terms of your benefits. AT&T reserves the right to terminate or amend any and all benefits plans, and your participation in the plan is neither a contract nor a guarantee of future employment.

Understanding AT&T MedicareRx Coverage

In December 2011, we notified you about the upcoming changes to your prescription drug coverage that will take effect Jan. 1, 2013. It's important to understand how this custom Medicare Part D prescription drug coverage, known as AT&T MedicareRx, will work. Please note that these changes apply only for retirees and their dependents who are eligible for Medicare.

So, What is AT&T MedicareRx?

AT&T MedicareRx coverage is a qualified Medicare Part D Prescription Drug Plan, administered by SilverScript Insurance Company — a subsidiary of CVS Caremark. Beginning on Jan. 1, 2013, it will pay your prescription drug claims first and the AT&T prescription drug coverage will automatically pay second. **AT&T MedicareRx coverage will not affect your coverage under Medicare parts A and B.**

Here's what you need to know about this transition:

- ▶ AT&T MedicareRx coverage will be administered by SilverScript Insurance Company (SilverScript), a subsidiary of CVS Caremark, which is an approved Medicare Part D prescription drug program provider.
- ▶ Enrollment is automatic as long as you and your Medicare-eligible dependents are enrolled in the company self-funded option (excludes HMO-type coverage options). **There is no action required for you or your Medicare-eligible dependents to enroll in AT&T MedicareRx.**
- ▶ Unlike when you enroll in individual Medicare Part D coverage, there is no separate monthly AT&T MedicareRx coverage contribution. However, other fees may be assigned for certain individuals with specific situations. See page 6 for details on these fees.
- ▶ For certain individuals, Social Security may be able to help with deductibles and copays through the Extra Help program, which requires recipients to meet specific low-income requirements. See page 6 for more information.

What's Changing: At-A-Glance

On Jan. 1, 2013, AT&T MedicareRx will become your primary payor of claims. Your AT&T prescription drug coverage will pay secondary.

This means that AT&T MedicareRx will pay your claims first, and the AT&T prescription drug coverage will become your secondary payor, similar to the way Medicare parts A and B work today.

Continue reading to learn about AT&T MedicareRx and what it means for you and your Medicare-eligible dependents.

- ▶ There is no “donut hole” or coverage gap — AT&T MedicareRx will continue to provide coverage.
- ▶ There will be no coordination paperwork to file.
- ▶ If CVS Caremark is your current prescription drug administrator, any active prescriptions on file as of Dec. 31, 2012 will be accessible on Jan. 1, 2013 as long as you use your new SilverScript ID card.
- ▶ You will still have the right to appeal coverage decisions about payment or services as a member of SilverScript. This information will be addressed in the Evidence of Coverage document included in the individual enrollment package you will receive in December.

AT&T MedicareRx Coverage Details

Helpful Resources

This brochure will help you understand the AT&T MedicareRx coverage details as well as your role in this transition. If you still have questions after reading, see the Additional Resources section on page 11 for important contact information.

Filling Your Prescriptions

When you transition to AT&T MedicareRx, your coverage will work in much the same way that your current coverage does. Here, you will learn what to expect when you fill prescriptions in 2013.

Your Prescription Drug Copays, Deductibles and Out-Of-Pocket Maximums Your copays and any applicable deductibles and out-of-pocket maximums will still apply with AT&T MedicareRx. You will be notified of the amounts, as you are each year, when you receive your Annual Enrollment 2013 information. If your plan has deductibles and/or out-of-pocket maximums, they will continue to work the same way with AT&T MedicareRx as they do today.

Access to the SilverScript Retail Pharmacy Network You can continue to use your current retail pharmacy in 2013, since your new coverage is accepted just about anywhere. The SilverScript pharmacy network includes almost all pharmacies, except government pharmacies such as Veterans Administration (VA) and Department of Defense (DoD). Once your AT&T MedicareRx coverage is effective, you'll have the option to fill up to a 90-day

supply of most medications at any retail pharmacy in the network. The retail pharmacy copay for a 90-day supply will be set at three times the applicable 30-day retail copay. For example, if the 30-day retail copay is \$20, the 90-day copay will be \$60. Mandatory mail order on maintenance drugs does not apply under AT&T MedicareRx; however, mail order prescriptions are still available at the lower copay amounts.

Getting Your Long-Term Prescription Filled at a CVS Retail Pharmacy An 84-90 day supply of medication at a CVS retail pharmacy, for a mail order copay, will be available to you. More information on the CVS Preferred Maintenance Network will be included in the end-of-year Benefits Update provided in December.

This arrangement is solely at AT&T's discretion and can be terminated or modified at any point.

CVS Caremark Mail Order Service You can continue to use the CVS Caremark Mail Order service to fill prescriptions and pay the applicable mail order copays, which will generally cost less than those of a retail pharmacy. Refer to your Annual Enrollment materials for copay information.

Other benefits of this option include:

- ▶ Prescriptions delivered to the location of your choice
- ▶ Free standard shipping
- ▶ 24-hour, toll-free access to speak with a registered pharmacist through the question hotline
- ▶ Option to refill your prescriptions by phone or internet at any time (You do not need to re-register with Caremark.com)

Filling Prescriptions for Specialty Medications

If you take or are prescribed a specialty medication, you will be able to continue to use the CVS Caremark specialty pharmacy, or any specialty pharmacy in the SilverScript specialty pharmacy network. The approval process with which you're currently familiar will still be required.

Extra Help May be Available

If you qualify for the low-income Extra Help program through Social Security, your drug costs will be lower. For more information on whether you should apply, visit ssa.gov/prescriptionhelp/ or call 800-MEDICARE (800-633-4227). TTY users should call 877-486-2048. You may also call your State Medicaid Office or the Social Security Administration at 800-772-1213 between 7 a.m. and 7 p.m., Monday through Friday. TTY users should call 800-325-0778.

Late Enrollment Penalty

If either of the following circumstances applies to you, Medicare may assign a late enrollment penalty (LEP):

- ▶ You were not continuously enrolled in a qualified prescription drug program such as the AT&T prescription drug coverage, a Medicare HMO offered through AT&T or Medicare Part D individual coverage since Jan. 1, 2006.
- ▶ You had a break in qualified prescription drug coverage of 63 days or more.

If this applies to you, SilverScript will notify you and AT&T. If you are assessed an LEP, **AT&T will pay it on your behalf**. No action is required on your part. For more information about the LEP, go to cms.gov/Outreach-and-Education/Outreach/Partnerships/Downloads/11222-P.pdf, or contact Medicare at 800-MEDICARE (800-633-4227). TTY users should call 877-486-2048.

Income-Related Monthly Adjustment Amount

Medicare Part D, like Medicare Part B, requires an additional premium for beneficiaries who have income above a certain level. This is called the Income-Related Monthly Adjustment Amount (IRMAA). For more information on IRMAA, go to socialsecurity.gov/pubs/10536.pdf.

Please note: If you are assessed an IRMAA, the adjustment amount will be deducted from your monthly Social Security payment and AT&T will reimburse you for this amount on an annual basis. Please contact the AT&T Benefits Center after April 1, 2013 to find out how to apply for this reimbursement.

Prescription Drug Coverage Comparison Chart

The following chart compares high-level details for typical AT&T prescription drug coverage, AT&T MedicareRx coverage and typical individual Medicare Part D coverage available for purchase (outside of what AT&T provides).

PRESCRIPTION DRUG COVERAGE COMPARISON CHART			
Coverage Provisions	AT&T prescription drug coverage (current coverage through AT&T [excludes HMO-type coverage options])	AT&T MedicareRx (coverage through AT&T and SilverScript)	Individual Medicare Part D coverage (coverage not through AT&T and SilverScript)
Medicare Part D Plan Monthly Enrollment Contribution	Does not apply	Does not apply	Applies
Coverage Gap (Or “Donut Hole”)	Does not apply	Provides coverage during this period	Typically no coverage
Extra Help Program	Not available	Available	Available
Retail or Specialty Pharmacy Access	Available	No change necessary	Varies by plan
Retail and Mail Order Day Supply Limits (May not apply to your specific AT&T prescription drug program)	Retail: up to a 30-day supply; mandatory mail order for maintenance medication Mail Order: up to a 90-day supply	Retail: up to a 90-day supply; no mandatory mail order on maintenance prescriptions Mail Order: no change	Varies by plan
Copays*	Retail: 30-day supply Mail Order: 90-day supply; if applicable, adjusted yearly	Retail: 30/60/90 day supply available at the retail copay; cost for 60-day supply is two times the 30-day retail copay; 90-day supply is three times the cost of the 30-day retail copay Mail Order: if applicable, adjusted yearly	Depends on the plan you choose
Deductibles and Out-of-Pocket Maximums (if applicable)	If applicable; adjusted annually	If applicable; adjusted annually; will work as they did prior to AT&T MedicareRx coverage	Varies by plan
Drug Coverage	Varies by your current AT&T plan	Will continue to cover the same drugs that are covered under the prescription drug program	Varies by plan

*84-90-day fills at a CVS Pharmacy, for a long-term prescription at a mail order copay, are available.



AT&T MedicareRx Enrollment

Enrollment will be automatic for each Medicare-eligible individual.

You may be contacted by SilverScript if there is an issue with your enrollment, such as a discrepancy between what was reported by the AT&T Benefits Center and what Medicare has on file for you.

SilverScript will assist you and your Medicare-eligible dependents with any enrollment issues that may arise. It is your responsibility, however, to provide any requested documentation immediately. If you do not provide documentation to SilverScript **within 21 days** of the date printed on your notification letter requesting information, you may lose prescription drug coverage.

This chart explains situations in which SilverScript will contact you prior to enrollment and how to ensure that your AT&T MedicareRx enrollment stays on track.

EXAMPLES OF SITUATIONS PRIOR TO ENROLLMENT

The Situation	The Solution
You don't have your Medicare Claim Number, also referred to as your Health Insurance Claim Number (HICN), on file with SilverScript.	SilverScript will contact you as early as October to add the HICN to your records. You can find your Medicare Claim Number on your red, white and blue Medicare ID card.
You have a PO Box on file with SilverScript, but Medicare guidelines require SilverScript to verify that you are a resident of the U.S. or Puerto Rico.	SilverScript will start contacting you as early as October by phone or mail for you to attest to the fact that you are a resident of the U.S. or Puerto Rico. Respond immediately to avoid any enrollment issues. You may continue to use a PO Box as a mailing address.

Opting Out of AT&T MedicareRx

While enrollment will be automatic in AT&T MedicareRx coverage and you and your Medicare-eligible dependents are not required to take any action, Medicare requires that you are provided an opportunity to opt-out of AT&T MedicareRx. You should only do this if you do not want AT&T MedicareRx as your Medicare Part D prescription drug coverage. Once your enrollment is approved by Medicare, your AT&T MedicareRx coverage provided by SilverScript will become effective Jan. 1, 2013 unless you notify the AT&T Benefits Center at 877-722-0020, between **Oct. 1, 2012 and Nov. 16, 2012**.

If you opt-out of AT&T MedicareRx, you and your dependents will not have any prescription drug coverage through AT&T, since your current prescription drug coverage will no longer be available as your primary coverage.

Remember: If you are not enrolled in creditable prescription drug coverage and don't join another Medicare prescription drug plan for 63 continuous days after your current coverage ends on Dec. 31, 2012, you will pay a late enrollment penalty (LEP). This fee will be assessed for life whenever you join a Medicare prescription drug plan, including AT&T MedicareRx, at a later date.

Common Opt-Out Situations Medicare only allows you to be enrolled in one Medicare prescription drug plan at a time. Therefore, there are limited reasons you may choose to opt-out of AT&T MedicareRx. For example:

- ▶ If you choose to enroll in Medicare Part D individual prescription drug coverage for 2013 that is not offered in connection with AT&T's medical coverage.
- ▶ If you are enrolled or choose to enroll in a Medicare HMO.
- ▶ If you and/or your spouse have coverage through an employer other than AT&T. Check with that employer to see if enrollment in AT&T MedicareRx will have any effect on the benefits you and/or your spouse receive from that employer.

Important

If you are the primary participant, you should be aware of how your coverage decisions will affect your dependents.

If you choose to opt-out of AT&T MedicareRx coverage, your dependents also will lose all prescription drug coverage through AT&T — not just AT&T MedicareRx coverage. Please keep this in mind when making your decision.

If you opt-out of AT&T MedicareRx coverage after Nov. 16, 2012, your enrollment can still be cancelled, but there may be issues with your coverage on Jan. 1, 2013 as a result of the late notice. Medicare enrollment operates on a monthly prospective timeline with the dates of coverage determined by Medicare — not by AT&T. Therefore, if you choose to re-enroll or dis-enroll in AT&T MedicareRx coverage after Jan. 1, 2013, it will be on a prospective basis. **All dis-enrollment and opt-out requests must be received in writing if made after Jan. 1, 2013.**

What's Next

Beginning in December, you will receive additional materials from SilverScript with more details about AT&T MedicareRx coverage. You also may receive individual materials from SilverScript that apply only to you. Be sure to review and save these materials as you receive them.

Important

If you are enrolled in AT&T MedicareRx, the prescription drug coverage will not change for your non-Medicare family members. They will receive new CVS Caremark ID cards with a shared member ID number in December.

Prescription Drug ID Cards

After receiving confirmation of your enrollment in AT&T MedicareRx coverage, SilverScript will send each Medicare-eligible individual his/her own unique ID card. As long as you use this card when filling your prescriptions, AT&T MedicareRx will coordinate with your AT&T prescription drug coverage in a single transaction. This ensures that your prescriptions are covered with AT&T MedicareRx as the primary payor and your AT&T prescription drug coverage as secondary.

What to Expect

- ▶ You and your Medicare-eligible dependents will each receive your/his/her own SilverScript ID card with a unique SilverScript ID number, or "G Number." This means that Medicare-eligible family members will no longer share the same number.
- ▶ When Medicare notifies SilverScript of your enrollment confirmation, you will receive a confirmation letter from SilverScript that includes your SilverScript ID number. Keep this letter for your records, just in case there's a delay in receiving your SilverScript ID card. It will contain all of the information you will need to fill prescriptions at the pharmacy of your choice until the card arrives.



- In addition to your confirmation letter and SilverScript ID card, SilverScript will send you an Evidence of Coverage (EOC) letter. The EOC provides a detailed explanation of your AT&T MedicareRx coverage, which should help answer any specific questions you may have.

Additional Resources

There are a number of resources available to help you understand AT&T MedicareRx coverage. A list of Frequently Asked Questions is included beginning on page 12, which may provide answers to your questions without picking up the phone. Also included with this brochure is a Communications Checklist that outlines additional materials you will receive from SilverScript later this year. Review this list to learn what to look for and be sure to read the listed materials when they arrive. You will receive a Summary of Material Modifications (SMM) providing coverage details later this year as well. And remember — service representatives are only a call away if you still have questions about your prescription drug coverage.

RESOURCES	PHONE NUMBERS	HOURS OF OPERATION
SilverScript	877-878-5714 (TTY: 866-236-1069)	8 a.m. – 8 p.m., seven days a week
AT&T Benefits Center	877-722-0020 (TTY: use your local relay service)	7 a.m. – 7 p.m. Central time, Monday – Friday
Medicare	800-633-4227 (TTY: 877-486-2048)	24 hours a day, seven days a week
Social Security Administration	800-772-1213 (TTY: 800-325-0778)	7 a.m. – 7 p.m. Monday – Friday



AT&T MedicareRx Coverage: Frequently Asked Questions

1) What is AT&T MedicareRx coverage? This coverage is a qualified Medicare Part D Prescription Drug Plan, administered by SilverScript Insurance Company — a subsidiary of CVS Caremark. Beginning on Jan. 1, 2013, it will be the primary payor of claims. AT&T MedicareRx will pay your claims first and the AT&T prescription drug coverage will automatically pay second. When you transition to AT&T MedicareRx, you can take comfort in knowing that your coverage will work in much the same way that your current coverage does. For example, when you use your SilverScript ID card to fill prescriptions, your experience will be similar to how it is today.

There will be no separate monthly enrollment plan contribution and no paperwork to file for coverage coordination as long as you use your SilverScript ID card when you fill a prescription. (New cards will be provided in December.) For more information, please review the Prescription Drug Coverage Comparison Chart on page 7 of this brochure.

2) Why are we moving to AT&T MedicareRx coverage? It is our continued effort to provide you and your Medicare-eligible dependents with prescription drug coverage that is cost-effective for you and the company.

3) What do I need to do to enroll in AT&T MedicareRx coverage?

There are no actions you need to take. You and your Medicare-eligible dependents will be automatically enrolled in AT&T MedicareRx coverage effective Jan. 1, 2013.

If any enrollment issues arise (i.e. SilverScript needs to confirm your Medicare information for their records), SilverScript will help you or your Medicare-eligible dependents to resolve them by contacting you directly by mail. If you receive a letter from SilverScript requesting additional information, you must provide the requested information within 21 days of the date on the letter. If you miss this deadline, you may be considered ineligible to enroll and will lose all prescription drug coverage.

4) What will happen if I opt-out of AT&T MedicareRx coverage, or enroll in individual Medicare Part D coverage on my own? If you opt-out of AT&T MedicareRx and do not enroll in individual Medicare Part D coverage on your own, you will lose your prescription drug coverage. If you subsequently enroll at a later date, you may incur a Late Enrollment Penalty (LEP) from Medicare. See page 6 of this brochure for more information.

If you enroll in individual Medicare Part D coverage on your own, that plan will be primary for you and your dependents, and the AT&T prescription drug coverage will pay as secondary. See page 9 of this brochure for more information.

5) I am enrolled in a Medicare HMO and I want to keep it for 2013 – what should I do? If you want to remain enrolled in your Medicare HMO in 2013, you must opt-out of AT&T MedicareRx coverage on or before Nov. 16, 2012. If you do not opt-out of AT&T MedicareRx by Nov. 16, your enrollment in the Medicare HMO will be denied and you will be enrolled in the AT&T non-HMO medical plan coverage option. Please contact the AT&T Benefits Center at 877-722-0020 to opt-out of AT&T MedicareRx or for further information.

6) How will my prescription drug copays, deductibles and out-of-pocket maximums work? Your copays, deductibles and out-of-pocket maximums will still apply under AT&T MedicareRx. This means that if you have deductibles and/or an out-of-pocket maximum with your current AT&T prescription drug coverage, these will continue to work the same way with AT&T MedicareRx in 2013 as they do today. Copay, deductible and out-of-pocket maximum amounts for 2013 will be provided to you during your annual enrollment period in October.

7) I have prescriptions that are covered under Medicare Part B – how will they be covered going forward? Any prescriptions currently covered under Medicare Part B today will continue to be covered under Medicare Part B in the future, even though you will be enrolled in AT&T MedicareRx coverage. You will not need to take any additional action or file any coordination paperwork as long as you use your SilverScript ID card each time you fill a prescription.

8) Will I receive more information about AT&T MedicareRx coverage? In December, you will receive additional materials from SilverScript including an individual enrollment packet and an ID card with your individual alternate ID number (or “G Number”). Refer to the Communications Checklist you received along with this brochure for a list of the materials you will receive from SilverScript.

9) When will I be able to contact SilverScript if I have questions about my AT&T MedicareRx enrollment information? Beginning Dec. 10, 2012, Medicare-eligible participants can contact SilverScript at 877-878-5714 for assistance with coverage-specific questions, 8 a.m. – 8 p.m., seven days a week.

10) What prescription drug coverage will be available for my non-Medicare-eligible dependent? Non-Medicare-eligible participants will continue to be enrolled in the AT&T prescription drug coverage, if eligible, so long as you do not opt out of AT&T MedicareRx coverage. They will receive a new CVS Caremark family ID card and should continue to call CVS Caremark at 800-378-8851 with questions about non-Medicare prescription drug coverage. CVS Caremark is available 7 a.m. to 5 p.m. Central time.

11) I have granted someone power of attorney to handle my affairs – how will this person act on my behalf? If you have granted someone power of attorney, this information must be on file with SilverScript in order for SilverScript to discuss your information with that person. The AT&T Benefits Center cannot provide this information to SilverScript for you. It is your responsibility to contact SilverScript on or after Dec. 10, 2012 at 877-878-5714 to learn about the necessary documentation and where it should be sent.



**AT&T Inc.
and Participating Companies
Human Resources-Benefits**

P.O. Box 460582

St. Louis, MO 63146

Forwarding Service Requested

NIN: 78-26610

