



Important Changes to Your Boeing Medicare Supplement Plan—*Read This First*

Starting January 1, 2012, your prescription drug coverage will transition from Aetna to a new service representative, Medco. Boeing is making the changes described in this *Update* to help reduce costs for you and for Boeing, while maintaining a high level of quality and service. You'll see the impact of this in the next section.

You will be automatically enrolled in the Medco Medicare Prescription Plan® (PDP) for The Boeing Company. The transition to the new Medco PDP and the information included in this document do not apply to family members who are not eligible for Medicare coverage. Please carefully read this *Update* and the information included.

What you need to do

- Read** this *Update*, the benefit summary and other materials included with it. They include important information about the network of pharmacies, covered drugs and how mail-order prescriptions will be handled.
- Watch** for and carefully read a welcome packet to arrive at your home in December.

Highlights—What's Changing and What's Not

- **Your monthly cost for coverage will decrease.** On January 1, 2012, your monthly cost for coverage will decrease, as shown in the following table. Your monthly contributions will cover the full cost of medical and prescription drug coverage under this plan.

Your 2012 Monthly Contribution Rates for Boeing Medicare Supplement Plan Compared to 2011 Rates		
Coverage Level	2011 Rates	2012 Rates
If one person is eligible for Medicare (retiree or spouse)*	\$262.21	\$247.11
If two people are eligible for Medicare (retiree and spouse)*	\$524.41	\$494.22

* You will receive a separate mailing that confirms your costs and shows which family members are covered by the plan. That mailing will also include the cost for any disabled adult children covered by this plan and any family members not eligible for Medicare who are covered by a Boeing plan.

- **Your medical coverage will continue to be administered by Aetna.** Other than some minor enhancements to preventive coverage, your medical coverage is not changing.
- **Your prescription drug coverage will be administered by Medco rather than Aetna.** Medco is the prescription drug service representative for most Boeing retiree and active employee plans. As a result of the transition of plan administration from Aetna to Medco, you should be aware of what is and is not changing, as summarized below:
 - *The prescription drug benefit coinsurance and copayments will be the same as those described in last year's enrollment materials.* They are restated in another document in this mailing entitled "Final Member Cost-Share Summary." Coinsurance and copayment reductions that have applied in certain situations in 2011—generally, for individuals taking brand-name drugs while in the Medicare coverage gap**—will no longer apply in the same way beginning January 1, 2012. Instead, the manufacturer funding that enabled these copayment reductions will be used in a way that helps reduce the monthly cost that everyone pays for this plan in 2012.

Benefits Information *(continued)*

- *The mail-order pharmacy will change to Medco's mail-order facility, called Medco Pharmacy. Most mail-order requests for existing prescriptions will be transferred from Aetna to the Medco Pharmacy during the first week of January; they should be available for refill by January 7. To begin ordering, just follow the instructions in your Medco welcome packet, which will be sent to you in mid-December. Refills for compound drugs or controlled substances will require a new prescription from your doctor.*
 - *The network of local pharmacies will change, but not much. Almost all pharmacies that are in Aetna's network are also in Medco's network. If you would like to check whether or not a pharmacy is in the network, you can contact Medco Customer Service, after November 1, at **1-877-505-3224**. TTY/TDD users should call 1-800-716-3231.*
 - *The list of covered drugs (also called the formulary) will change slightly, but most participants will not be impacted. More information will be included in the Medco welcome packet that you will receive in mid-December. If you want to ask a question about the formulary before then, you can contact Medco Customer Service as shown above.*
 - *The prior authorization process for some drugs will change. Some drugs require prior authorization to be covered under your plan today, and some will require prior authorization in the Medco plan. You'll get more information about prior authorization in the Medco welcome packet that you will receive in mid-December.*
 - *Your ID card will change. In December each member will receive the welcome packet and a new prescription drug ID card from Medco. The new Medco ID card will replace the Aetna prescription drug ID card, which you should continue using through December 31, 2011.*
 - *You should continue to use your Aetna medical ID card for medical services in 2012.*
- ** Your current prescription drug coverage is an enhanced version of a Medicare Part D prescription drug plan. Medicare prescription drug plans have a coverage gap (sometimes referred to as the "donut hole") when you reach a certain level of prescription expenses. Your Boeing plan provides coverage in that gap. In 2011, if your prescription drug expenses have reached or will reach the coverage gap, manufacturer funding provides a reduction in the Boeing copayments that apply during this coverage gap.*

Important: What You Need to Consider

- Your Boeing prescription drug coverage through the new Medco Medicare Prescription Plan will continue to provide better coverage than Medicare Part D plans sold to the general public. Your plan will continue to fill the gap (“donut hole”) in Medicare Part D prescription drug coverage. This means that the Medco plan will continue to provide benefits after your prescription drug expenses reach the Medicare benefit limit.
- Your Boeing medical coverage will continue to be administered by Aetna. However, as required by Medicare, you will receive a letter informing you that your prescription drug coverage with Aetna will end December 31, 2011.
- You are not required to be enrolled in the Medco Medicare Prescription Plan. You can decide to join a different Medicare drug plan. **However, because your prescription drug coverage is part of your medical plan, if you decide to opt out of the automatic enrollment to the Medco Medicare Prescription Plan for The Boeing Company, you will also lose your Boeing medical coverage.** Once your Boeing coverage ends, you cannot reenroll at a later date.
 - If you want help choosing a different Medicare drug plan, you can call **1-800-MEDICARE (1-800-633-4227)**, 24 hours a day, 7 days a week for assistance. TTY users should call 1-877-486-2048.
 - If you do not want to be enrolled in the Medco Medicare Prescription Plan for Boeing retirees, contact Boeing TotalAccess at **1-866-473-2016**. **You will need your BEMSID and password. After entering your BEMSID, select Health & Insurance; when prompted, enter your password one digit at a time.** Representatives are available between 9 a.m. and 8 p.m. U.S. Eastern time (8 a.m. and 7 p.m. Central time; 7 a.m. and 6 p.m. Mountain time; 6 a.m. and 5 p.m. Pacific time) Monday through Friday. Hearing impaired callers with a telephone typewriter can access TTY/TDD services at 1-800-755-6363.
- You may have to pay a late enrollment penalty for Medicare Part D coverage if, within 63 continuous days after your current coverage with Boeing ends:
 - You do not enroll in the new Boeing plan or another Medicare prescription drug plan (or a Medicare Advantage Plan with prescription drug coverage), or
 - You do not have or obtain other coverage that is at least as good as Medicare drug coverage (also referred to as “creditable coverage”).
- If you drop coverage in the Boeing Medicare Supplement Plan as a retiree, you cannot cover dependents in a Boeing retiree medical plan.

Note: The national Medicare Part D enrollment period began October 15, 2011 and ends December 7, 2011. You may have received information from commercial Medicare Part D plans. You may enroll in one of those plans; however, be aware that Medicare rules do not allow individuals to participate in more than one Medicare Part D plan. **That means if you enroll in one of the commercial plans, you will lose your Boeing Medicare Supplement Plan coverage (which includes both medical and prescription drug). Once your Boeing coverage ends, you cannot reenroll at a later date.**

Other Information Included in This Mailing

This mailing includes three other documents:

1. *Important information about your benefits* provides legally required information, including provisions under the Patient Protection and Affordable Care Act (sometimes known as the Affordable Care Act, or health care reform). Some of these provisions do not apply to you, such as information about selecting a primary care physician.
2. *Medicare Part D benefits summary* provides legally required information about the basic Medicare Part D prescription drug coverage available to you through the new Medco Medicare Prescription Plan. Keep in mind that Boeing provides additional benefits beyond this basic coverage, as shown in the next document listed.
3. *Final member cost-share summary* shows your Boeing coverage for prescription drugs.

For More Information

- For information about these changes, call Boeing TotalAccess at **1-866-473-2016** to speak with a customer service representative at the Boeing Service Center for Health and Insurance Plans. Enter your BEMSID and select Health & Insurance. Enter your TotalAccess password and follow the enrollment menu and prompts to reach a representative. Representatives are available between 9 a.m. and 8 p.m. U.S. Eastern time (8 a.m. and 7 p.m. Central time; 7 a.m. and 6 p.m. Mountain time; 6 a.m. and 5 p.m. Pacific time) Monday through Friday. Hearing impaired callers with a telephone typewriter can access TTY/TDD services at 1-800-755-6363.
- For information about the Medco pharmacies or if you have a question about your medication, call Medco Customer Service, *after November 1*, at **1-877-505-3224**, 24 hours a day, 7 days a week. TTY/TDD users should call 1-800-716-3231.
- For information about Medicare Part D prescription drug plans, go to **www.medicare.gov** or call **1-800-MEDICARE (1-800-633-4227)**. TTY/TDD users should call 1-877-486-2048.

Every effort has been made to provide an accurate summary of your benefits in this document. The material provided here about Company policies, procedures, and benefits is for informational purposes only; it does not constitute a contract or contractual obligation. Certain eligibility provisions apply to each of the programs, policies, and benefits; not all of these provisions are described here. In the event of a conflict between this document and any of the benefit plans, the terms of the plans will control. Copies of official plan documents are available by written request through the "Contact TotalAccess" online form on the Boeing TotalAccess website. The Boeing Company reserves the right to change, modify, amend, or terminate any of the provisions described here at any time and for any reason for employees, former employees, retirees, and their dependents and/or beneficiaries.

Medco Medicare Prescription Plan® (PDP)

Effective January 1, 2012, you'll be enrolled in
Medco Medicare Prescription Plan® (PDP) for The Boeing Company.

Medco Medicare Prescription Plan (PDP) for The Boeing Company			
Stages of Medicare coverage:	RETAIL 31-DAY	RETAIL 90-DAY	MAIL 90-DAY
<p>STAGE 1: INITIAL COVERAGE</p> <p>You pay either a co-payment or coinsurance for drugs until the total yearly drug costs (what you and your Plan pay) reach \$2,930.</p> <p>Tier 1: Generic Drugs</p> <p>Tier 2: Preferred Brand Drugs</p> <p>Tier 3: Non-Preferred Brand Drugs</p>	<p>\$4*</p> <p>20% coinsurance with a \$10 minimum and a \$75 maximum</p> <p>35% coinsurance with a \$30 minimum and a \$100 maximum</p>	<p>\$12*</p> <p>20% coinsurance with a \$30 minimum and a \$225 maximum</p> <p>35% coinsurance with a \$90 minimum and a \$300 maximum</p>	<p>\$9*</p> <p>\$30</p> <p>\$60</p>
<p>STAGE 2: COVERAGE GAP</p> <p>You stay in this stage until your out-of-pocket costs reach a total of \$4,700. This amount and rules for counting costs toward this amount have been set by Medicare.</p>	<p>During the Coverage Gap stage, you will receive a 50% manufacturer discount (minus the dispensing fee) on covered brand-name drugs and pay your standard co-payment for all generic drugs until your yearly out-of-pocket drug costs reach \$4,700.</p>		
<p>STAGE 3: CATASTROPHIC COVERAGE</p> <p>You reach this stage after your total out-of-pocket costs exceed \$4,700.</p>	<p>You pay a small co-payment or coinsurance for each covered prescription:</p> <p>The greater of a \$2.60 co-payment for a generic drug (including a brand drug treated as a generic) and a \$6.50 co-payment for all other drugs, or 5% coinsurance (with a maximum not to exceed the standard co-payments during the Initial Coverage stage).</p>		

*These retail and mail-order program generic co-payments reflect a temporary reduction, in compliance with the Federal Early Retirement Reinsurance Program under the health care reform law.

Benefits, formulary, pharmacy network, premium, and/or co-payments/coinsurance may change on January 1, 2013.

Medicare Part D Benefit Summary

Important information about your Medicare Part D prescription drug coverage

The benefit information provided herein is a brief summary, not a comprehensive description of benefits. For more information, contact **Medco Medicare Prescription Plan (PDP)**.

If you have questions about this Plan, simply call **1-877-505-3224**. TTY/TDD users should call **1-800-716-3231**. Customer Service is available 24 hours a day, 7 days a week and is available in English and other languages.

Medco Medicare Prescription Plan (PDP) is a Medicare prescription drug plan and is in addition to your coverage under Medicare Part A and/or Part B. Your enrollment in **Medco Medicare Prescription Plan (PDP)** doesn't affect your coverage under Medicare Part A and/or Part B. It is your responsibility to inform **Medco Medicare Prescription Plan (PDP)** of any prescription drug coverage that you have or may get in the future. You can be in only one Medicare prescription drug plan at a time. If you are currently in a Medicare prescription drug plan, your enrollment in **Medco Medicare Prescription Plan (PDP)** will end that enrollment. Enrollment in a Medicare prescription drug plan is generally for the entire year.

By joining this Medicare prescription drug plan, you acknowledge that **Medco Medicare Prescription Plan (PDP)** will release your information to Medicare and other plans as is necessary for treatment, payment, and healthcare operations. You also acknowledge that **Medco Medicare Prescription Plan (PDP)** will release your information, including your prescription drug event data, to Medicare, who may release it for research and other purposes that follow all applicable Federal statutes and regulations.

Medicare (the Centers for Medicare & Medicaid Services) must approve our Plan each year. Coverage in this Plan is for one year at a time. You can continue to get Medicare coverage as a member of our Plan only as long as we choose to continue to offer the Plan for the year in question, and the Centers for Medicare & Medicaid Services renews its approval of our Plan.

This Plan serves a specific plan area. The service area for this Plan is the 50 states, the District of Columbia, and Puerto Rico. If you move out of the service area, you will be disenrolled and you are required to notify the Plan of your change in address. If your address changes and you remain within the service area, you must notify your employer/union so that your information can be kept current.

We may reduce our service area and no longer offer services in the area in which the beneficiary resides.

Beneficiaries must use network pharmacies to access their prescription drug benefit. However, there are emergency circumstances under which you may be reimbursed for a covered prescription that is not filled at a network pharmacy. Quantity limitations and restrictions may apply.

You must continue to pay your Medicare Part B premium, if not otherwise paid for under Medicaid or by another third party, even if your Medicare Part D plan premium is \$0.

Once you are a member of **Medco Medicare Prescription Plan (PDP)**, you have the right to file a grievance or appeal plan decisions about payment or services if you disagree. Read the *Evidence of Coverage* from **Medco Medicare Prescription Plan (PDP)** when you receive it to know which rules you must follow to receive coverage with this Medicare prescription drug plan.

You may be able to get Extra Help to pay for your prescription drug premiums and costs. To see if you qualify for Extra Help, call 1-800-MEDICARE (1-800-633-4227). TTY users should call 1-877-486-2048, 24 hours a day/7 days a week; the Social Security Office at 1-800-772-1213 between 7 a.m. and 7 p.m., Monday through Friday. TTY users should call 1-800-325-0778; or your State Medicaid Office. Counseling services may be available in your state to provide advice concerning Medicare supplement insurance or other Medicare Advantage or Prescription Drug plan options, medical assistance through the state Medicaid program, and the Medicare Savings Program.

Final Member Cost-Share Summary

Important

Information regarding additional Boeing-provided prescription drug coverage and your final cost-sharing amounts

Beginning January 1, 2012, The Boeing Company will offer your primary prescription drug benefit through the Medicare Part D program. In addition, **Boeing is also providing additional coverage to enhance your Part D benefit. The combination of both plans will ensure that your final coinsurance and co-payments remain similar to the current Boeing prescription drug plan.**

Under the Medicare Part D program, we are required to provide you with the enclosed Medicare Part D Benefit Summary document which provides the details of your base Medicare Part D program.

The table below shows your **final** cost-share that combines coverage through Medicare Part D with the Boeing-provided additional coverage.

Tier Name	Retail Final Cost-Share (31-day supply)	Retail Final Cost-Share (90-day supply)	Medco Pharmacy Mail Final Cost-Share (up to a 90-day supply)
Tier 1: Generic Drugs	\$4 co-payment*	\$12 co-payment*	\$9 co-payment*
Tier 2: Preferred Brand Drugs	20% coinsurance with a \$10 minimum and a \$75 maximum	20% coinsurance with a \$30 minimum and a \$225 maximum	\$30 co-payment
Tier 3: Non-Preferred Brand Drugs	30% coinsurance with a \$30 minimum and a \$100 maximum	30% coinsurance with a \$90 minimum and a \$300 maximum	\$60 co-payment

*These retail and mail-order program generic co-payments reflect a temporary reduction, in compliance with the Federal Early Retirement Reinsurance Program under the health care reform law.

If you have any questions about your prescription drug coverage, please call Medco Customer Service at **1-877-505-3224**, 24 hours a day, 7 days a week. Customer Service is available in English and other languages. TTY/TDD users should call **1-800-716-3231**.

Our records indicate that you received a *Benefits Update* earlier this month that described *Important Changes to Your Boeing Medicare Supplement Plan* in error. You should not have received this notice. Please disregard it as it applies only to retirees or dependents who are eligible for Medicare benefits. We apologize for any confusion this has caused.

If you have any questions, call Boeing TotalAccess at **1-866-473-2016** to speak with a customer service representative at the Boeing Service Center for Health and Insurance Plans. Enter your BEMSID and select Health & Insurance. Enter your TotalAccess password and follow the enrollment menu and prompts to reach a representative. Representatives are available between 9 a.m. and 8 p.m. U.S. Eastern time (8 a.m. and 7 p.m. Central time; 7 a.m. and 6 p.m. Mountain time; 6 a.m. and 5 p.m. Pacific time) Monday through Friday. Hearing-impaired callers with a telephone typewriter can access TTY/TDD services at **1-800-755-6363**.