

## Carrum Health Medical and Surgery Benefit

Walgreen Co. (“Walgreens” or the “Company”) is pleased to provide its team members (and their eligible dependents) with a comprehensive package of health and welfare benefit options. The Walgreen Health and Welfare Plan (the “Plan”) includes medical, prescription drug and other benefits. Summaries of all the benefits available under the Plan are described in the Plan’s Summary Plan Description (“SPD”). Walgreens employees and dependents participating in BlueCross BlueShield of Illinois (“BCBS”) or United Healthcare (“UHC”) medical coverage under the Plan have access to the Carrum Health Medical and Surgery Benefit, which provides enhanced coverage for certain planned procedures at participating Centers of Excellence. The Centers of Excellence program works with specific facilities to provide medical services related to a range of treatments and procedures. Through this program, you and your covered dependents have access to specialized providers and facilities selected for their expertise in certain high-risk or high-cost procedures. This SPD insert describes this Carrum program under the Plan, and it should be read in conjunction with the SPD for all applicable terms and conditions.<sup>1</sup>

This program is offered under the Plan so that participants facing certain serious medical conditions can receive high-quality affordable care. The Carrum Health Medical and Surgery Benefit includes the following procedures:

Subject to limited exceptions described below, you must go through Carrum Health when you need:

- Hip and knee replacement
- Spinal fusion surgery
- Bariatric (weight loss) surgery

You can choose to go to Carrum Health for other procedures, including:

- Other orthopedic procedures (e.g., hand, wrist, elbow, shoulder, ankle, foot)
- Cardiac (heart) surgery
- Cancer treatment and guidance, including:
  - Virtual guidance and ongoing support for all cancer diagnoses
  - Comprehensive treatment for breast and thyroid cancer: \*
  - CAR (chimeric antigen receptor)-T cell therapy\*

\*Restrictions may apply

This section describes the program in greater detail, including important conditions and restrictions. The Summary of Benefits Coverage table below summarizes terms for the medical services performed through the Carrum Health Benefit. As shown below, certain eligible services performed through the Carrum Health Benefit are covered at 100%, meaning there is no out-of-pocket spend for the participant such as copays or coinsurance, except that a participant in an HSA-eligible plan must meet their annual deductible.

### Summary of Benefits Coverage

Procedures	Carrum Health Centers of Excellence	BCBS	UHC
Hip and knee replacement	100% covered; No Deductible*	No coverage**	No coverage**
Spinal fusion surgery	100% covered;	No coverage**	No coverage**

Procedures	Carrum Health Centers of Excellence	BCBS	UHC
	No Deductible*		
<b>Bariatric (weight loss) surgery</b>	100% covered; No Deductible*	No coverage**	No coverage**
<b>Other orthopedic procedures (e.g., hand, wrist, elbow, shoulder, ankle, foot)</b>	100% covered; No Deductible*	80% covered after Deductible is met; some copays may apply	<p><b>Non-tiered plans:</b> 80% after Deductible is met</p> <p><b>Tiered Plans:</b> <i>Without Hospital Tiering:</i> 80% after Deductible is met</p> <p><i>With Hospital Tiering:</i></p> <ul style="list-style-type: none"> <li>• Tier 1 Hospital &amp; COE: 80% after Deductible is met</li> <li>• Tier 2 Hospital: \$500 copay + 60% coinsurance for all plans except Premier Copay, which is \$500 copay + 50% coinsurance</li> </ul>
<b>Cardiac (heart) surgery</b>	100% covered; No Deductible*	80% covered after Deductible is met; some copays may apply	<p><b>Non-tiered plans:</b> 80% after Deductible is met</p> <p><b>Tiered Plans:</b> <i>Without Hospital Tiering:</i> 80% after Deductible is met</p> <p><i>With Hospital Tiering:</i></p> <ul style="list-style-type: none"> <li>• Tier 1 Hospital &amp; COE: 80% after Deductible is met</li> <li>• Tier 2 Hospital: \$500 copay + 60% coinsurance for all plans except Premier Copay, which is \$500 copay + 50% coinsurance</li> </ul>
<b>Cancer guidance</b>	100% covered; No Deductible*	80% covered after Deductible is met; some copays may apply	<p><b>Non-tiered plans:</b> 80% after Deductible is met</p> <p><b>Tiered Plans:</b> <i>Without Hospital Tiering:</i> 80% after Deductible is met</p> <p><i>With Hospital Tiering:</i></p> <ul style="list-style-type: none"> <li>• Tier 1 Hospital &amp; COE: 80% after Deductible is met</li> </ul>

Procedures	Carrum Health Centers of Excellence	BCBS	UHC
			Tier 2 Hospital: \$500 copay + 60% coinsurance for all plans except Premier Copay, which is \$500 copay + 50% coinsurance
<b>Breast and thyroid Cancer treatments</b>	100% covered; No Deductible*	80% covered after Deductible is met; some copays may apply	<p><b>Non-tiered plans:</b> 80% after Deductible is met</p> <p><b>Tiered Plans:</b> <i>Without Hospital Tiering:</i> 80% after Deductible is met</p> <p><i>With Hospital Tiering:</i></p> <ul style="list-style-type: none"> <li>• Tier 1 Hospital &amp; COE: 80% after Deductible is met</li> <li>• Tier 2 Hospital: \$500 copay + 60% coinsurance for all plans except Premier Copay, which is \$500 copay + 50% coinsurance</li> </ul>

\* Due to legal requirements applicable under the Plan, participants in HSA plans must meet their deductible before 100% benefits can be provided.

\*\* See the below text under **Coverage and Exceptions for Hip and Knee Replacement, Spinal Fusion Surgery, and Bariatric (Weight Loss) Surgery** for circumstances where exceptions may apply.

### About Carrum Health

Carrum Health provides access to hospitals and surgeons for planned medical procedures and coordinates the delivery of care with travel, communication and other non-medical aspects of the program. Carrum Health itself does not render any medical care or advice and does not recommend any particular medical providers or course of treatment.

To learn more about the program or determine if you are eligible for the Carrum Health surgery benefit, please contact Carrum Health at 1-888-855-7806 or visit [carrum.me/Walgreens](http://carrum.me/Walgreens). You can also download the ‘Carrum Health’ app available for iPhone and Android devices.

### How It Works

Eligible employees and dependents can contact Carrum Health either by phone (1-888-855-7806), online ([carrum.me/walgreens](http://carrum.me/walgreens)), or by downloading the ‘Carrum Health’ app on iPhone and Android devices to search for and compare participating hospitals and physicians.

After contacting Carrum Health, patients are assigned a Patient Care Specialist to provide non-medical coordination throughout the entire episode of care. Patient Care Specialist services include assistance with hospital and physician selection, appointment scheduling, travel reservations and logistics management (if necessary) and medical records collection.

Patients must agree to provide their medical records and any other relevant information to their selected hospital and physicians in order to facilitate a pre-op evaluation to determine if the procedure is appropriate and medically necessary. Receiving a pre-op evaluation does not commit a patient to proceed with the procedure or Carrum Health.

### **Covered Expenses**

**Medical costs:** The Carrum Health Medical and Surgery Benefits cover all medical costs incurred and related to the procedure with no Copay, Deductible or Coinsurance (except those enrolled in an HSA plan which will still be subject to your Plan deductible).

**Travel costs:** In addition, the following expenses incurred for transportation, lodging, meals, and incidentals are covered for the patient and one adult companion as long as travel arrangements are scheduled and reserved through Carrum Health. Transportation and lodging benefits only apply to patients accessing Centers of Excellence located more than 60 miles from their home.

- a) **Round trip transportation** for the patient and one adult companion between the patient's home location and the location of the Center of Excellence where the procedure is to be performed.
  1. Air/Bus/Train: round trip coach class tickets + parking + baggage expenses are paid directly through Carrum Health. A stipend will be provided for local transportation (taxi/rideshare).
  2. Rental Car: 4 door full size rental car + a stipend is given for gas, tolls, etc.
  3. Personal Vehicle: mileage is reimbursed at the IRS rate.
- b) **Hotel accommodations** near the Center of Excellence, limited to one standard room (2 queen beds) to be shared by the patient and one adult companion. Hotel charges will be paid directly through Carrum Health.
- c) **Meals and incidentals** in the form of a daily allowance intended to cover all other out-of-pocket expenses related to the procedure. The daily allowance will be provided before and after, but not during, the inpatient stay. The daily allowance will be paid to the patient prior to travel to the Center of Excellence location. The daily allowance will be \$65 per day, per person, for patient and companion (this does not apply during hospital stay). The daily allowance for bariatric patients is \$35 per day (this does not apply during hospital stay). The daily allowance is to be used at the discretion of the patient and companion.

Patients accessing a Carrum Centers of Excellence located less than 60 miles from their home, will be disbursed prior to travel, a \$200 stipend to be shared between the patient and companion. The daily allowance is to be used at the discretion of the patient and companion.

### **Coverage Limitations and Disclosures**

- The Carrum Health Medical and Surgery Benefits are only available to eligible employees and dependents when the Plan is their primary coverage.
- For most eligible services, you must identify a designated adult companion who is willing and able to meet caregiver requirements.
- For most eligible services, you must be safe to travel to a Carrum Health Center of Excellence for medical care and must not require emergency care at the time of travel.
- To receive coverage under the Carrum Health Medical and Surgery Benefits, services **MUST** be scheduled and authorized by Carrum Health. If you have a medical condition eligible for care under the Carrum Health Medical and Surgery Benefits and choose to receive treatment elsewhere, your care will be subject to the coverage outlined in the Summary of Benefits Coverage table above.
- Although a procedure may be offered by Carrum Health, it is only covered under the Plan as long as it is deemed to be medically necessary and not otherwise excluded under the terms of the Plan.
- The Plan will remain responsible for incurred costs, in accordance with the applicable terms, if a change of plans is necessary after travel arrangements have been made. The Plan will also cover emergency or life-saving medical

services that occur as the result of the planned procedures under the Carrum Health Medical and Surgery Benefits, subject to the coverage limits, cost-sharing and other terms of the Plan.

- Certain examinations, tests or other medical services may be required before or after the patient visits the chosen Center of Excellence under the Carrum Health Medical and Surgery Benefits. Any medical services not performed by a participating Carrum Health facility or physician, including necessary pre- and post-acute care, is subject to the coverage limits, cost-sharing and other terms of the Plan.
- Carrum Health will provide appropriate documentation for any non-medical benefits paid under the program, which may be subject to taxation as income to the patient – in particular, the allowance paid for meals and incidentals.
- A Center of Excellence may decline to treat a participant as it determines in its discretion, including for failure to:
  - Identify a designated adult companion who is willing and able to meet caregiver requirements;
  - Be safe to travel to the Center of Excellence for medical care and not requiring emergency care at the time of travel;
  - Follow preoperative and postoperative instructions;
  - Provide all required medical history, labs, and diagnostic tests;
  - Make lifestyle changes required by the Center of Excellence as a condition of obtaining the covered procedure (e.g., stop smoking or lose weight); or
  - Refrain from committing an act of physical or verbal abuse or other threatening behavior to the staff of the Center of Excellence.
- Coverage under the Carrum Health Benefit may be denied by Carrum Health if:
  - The participant does not provide a local provider recommendation, or any other documentation required to approve a referral to a Center of Excellence;
  - One Center of Excellence has declined to treat the participant due to a medical condition that will not change;
  - A patient is referred first to an outpatient facility or ambulatory surgical center (ASC), and denied treatment of care because their condition was too complex, they should seek an additional consult at an acute care Center of Excellence or hospital. If the second COE still cannot treat this member, then the member is denied from the Carrum program; or
  - The participant commits an act of physical or verbal abuse or other threatening behavior to the staff of Carrum Health or a Center of Excellence.

### **Coverage and Exceptions for Hip and Knee Replacement, Spinal Fusion Surgery, and Bariatric (Weight Loss) Surgery**

- **For hip and knee replacement, spinal fusion surgery and bariatric (weight loss) surgery:** If you are eligible for Carrum Health Medical and Surgery Benefits, and you choose to receive treatment in a facility outside the Carrum Health Centers of Excellence program, your treatment will not be covered by the Plan, even if the provider is in the Plan's medical network for other purposes. In such circumstances, no benefits are payable except in cases of emergency or if another exception described below applies.
- **Requests for exceptions to Carrum benefit:** You may request an exception to the rules stated immediately above so that procedures performed by a Plan network provider that is not a Carrum Health Centers of Excellence provider will be covered per your Plan's terms, subject to standard cost-sharing provisions and any applicable utilization management.
- **Exception request process:** Please contact Carrum Health (visit [carrum.me/walgreens](http://carrum.me/walgreens) or call 888-855-7806) to learn more about the Carrum program. If you are seeking an exception, request will be considered for approval of exceptions to coverage terms based on the exception criteria below and as described in the Claims Procedures of

the Plan’s Summary Plan Description (including time frames). If your request is granted, coverage will be at the otherwise applicable Plan rate, including any deductibles, coinsurance, or limitations and you must comply with the Plan’s standard protocols for authorizing receiving care, including utilization management. Permissible exception reasons are outlined below. If your request is denied, no benefits will be payable in the case of services performed outside the Carrum Health Medical and Surgery Benefits program, as outlined earlier, subject to any appeal rights available as described in the Plan’s Summary Plan Description.

Exception criteria	Description	Documentation required
Medical necessity	Individual disagrees with a Carrum COE’s recommendation for conservative therapy, and would strongly prefer to have surgery with their original provider.	<p>A doctor’s note from their local surgeon stating why the procedure is medically necessary and why the doctor disagrees with the COE surgeon’s recommendation for conservative therapy.</p> <p>Carrum will not evaluate the original surgeon’s reasoning and will limit review to verifying the letter contains these statements.</p>
Traveling to a COE would result in risk of paralysis, loss of life, or further injury.	<p>Individual lives more than 60 miles from the nearest Carrum COE, and travel to the nearest Carrum COE would be medically unsafe or physically impossible.</p> <p>“Medically unsafe” means travel would result in loss of life, paralysis or further injury “Physically impossible” means the individual has physical limitations that prevent travel to the nearest COE.</p>	Doctors note on official letterhead pointing to a condition in the Individual’s medical records that shows the clinical reason for why it is medically unsafe or not physically possible to travel. A general, broadly applicable danger of Traveling (i.e. deep vein thrombosis while flying) is not sufficient; there must be a specific clinical reason on the Medical records. Individual must send the doctor’s note and medical record.
Traveling to a COE would result in severe hardship, and Team Member lives 150+ miles from a Carrum COE.	<i>Severe financial hardship:</i> Individual lives more than <b>150 miles</b> from the nearest Carrum COE, and having surgery at the Carrum COE would cause undue and severe financial hardship. Examples include: Inability to work or loss of hours due to the condition that the surgery is intended to fix without the ability to receive disability coverage, for examples due to significant delay in the timing of the surgery.	<i>Severe financial hardship:</i> Individual must provide documentation showing the cause of financial hardship. This would include, but is not limited to: Disability leave approval, plus documentation (i.e., email communication) showing that leave cannot be moved.
	<i>Inability to secure travel companion:</i> Individual lives more than <b>150 miles</b> from the nearest Carrum COE and does not have access to an adult travel companion who	<i>Inability to secure travel companion:</i> Individual must show good faith effort to secure an adult travel companion, documenting steps taken to find an adult

	can safely travel with the member to any Carrum COE.	travel companion and describe any roadblocks. Individual to provide supporting materials.
	<i>Caregiver obligation:</i> Individual lives more than <b>150 miles</b> from the nearest Carrum COE, and travel to the nearest Carrum COE would result in unreasonable disruption to caregiver obligations. “Unreasonable disruption” means having to hire a caregiver over and above caregiver needs if staying with a local surgeon.	<i>Caregiver obligation:</i> Individual must describe why traveling to the nearest Carrum COE will unreasonably disrupt their caregiving obligations for their dependents as compared to how getting surgery locally would impact their caregiver obligations.

- You will also be granted an exception for the following reasons:
  - No COEs would currently accept a referral based upon the member’s existing medical conditions (i.e., active cancer, pregnancy, congestive heart failure).
  - Surgery was performed in an emergency and required a post-service exception.
  - Member previously had bariatric surgery & is seeking a revision. Member’s case is evaluated by a Carrum COE & necessity is confirmed, however, the Carrum surgeon determines it is safer for the patient to have the procedure done locally.
  - Please note: An exception is not available due solely to the Carrum Health Center of Excellence’s decision to not move forward with surgery due to the participant’s failure or refusal to comply with instructions and requirements as specified by the Center of Excellence. However, if the Center of Excellence declined to treat, or recommended conservative treatment, based on the participant’s failure to make a lifestyle change, the participant may apply for an exception.

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<sup>1</sup> Except as specifically addressed in this SPD Insert, all terms and conditions of the SPD applies to your Walgreens benefits. Except as may be limited by applicable collective bargaining agreements, Walgreens reserves the right to amend, modify, or terminate Walgreens benefit plans and programs at any time.