

Navistar, Inc Medicare Guide

What you need to know and do



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Table of Contents

Introduction.....	2
What do you need to do?	2
Get to know Medicare.....	3
When am I eligible for Medicare?.....	3
What do I need to know about Medicare Part A?	3
What do I need to know about Medicare Part B?	4
What do I need to know about Medicare Part D?	5
When can I enroll in Medicare?.....	6
Do I need to enroll in Medicare?	7
How do I enroll in Medicare?.....	8
How do I pay for Medicare?	8
Am I eligible to continue coverage with Navistar?	9
What about prescriptions?	9
What happens if you don't enroll in Navistar's health benefits?	10
How does Medicare work with Navistar's health benefits?	11
Where can I get more information about Medicare?.....	12



Introduction

You and/or your dependent will soon turn age 65 and become Medicare eligible. You need to determine your and your family's health insurance needs. Use this guide to better understand Medicare and its impact on your **Navistar** health benefits and how they might work together.

Note: For the remainder of this guide, "the company" refers to **Navistar** and "you" refers to the person who becomes eligible for Medicare benefits. If the eligible person is your dependent, please share this guide with them.

What do you need to do?

Now that you are becoming Medicare eligible, you need to:

- Find out what benefits are available if you continue coverage with the Retiree Medical Plan
- Review your eligibility or enrollment information with Medicare
- Enroll in Medicare Part A and B to avoid a coverage gap and future penalties
- Enroll in Medicare-eligible **Navistar** coverage before the deadline date, if you or your dependent is over 65 have your Medicare card available when you're ready to enroll.



Get to know Medicare

This section provides a general overview of Medicare benefits. For the most up-to-date information on Medicare, visit [Medicare.gov](https://www.medicare.gov).

When am I eligible for Medicare?

You are eligible for Medicare when you reach age 65.

Medicare eligibility also occurs when an individual is entitled to Social Security or Railroad Retirement Board disability benefits for 24 months, has Lou Gehrig's disease, or is a kidney dialysis or kidney transplant patient. The start of Medicare coverage varies based on the eligibility event.

What do I need to know about Medicare Part A?

What is Part A?

In general, Part A is **hospital** insurance that helps cover inpatient care in hospitals, skilled nursing facilities, and hospice, along with home health care.

What does Part A Cover?

In general, Part A covers:

- Inpatient care in hospitals (such as critical access hospitals, inpatient rehabilitation facilities, and custodial care hospitals)
- Inpatient care in a skilled nursing facility (not custodial or long-term care)
- Hospice care services
- Home health care services
- Inpatient care in a religious non-medical health care institution

How much does Part A cost?

If you or your spouse paid Medicare taxes while working, you usually will not pay a premium for Medicare Part A coverage. This is referred to as "premium-free Medicare Part A."

If you are not eligible for premium-free Medicare Part A and need to purchase Medicare Part A, you can expect to pay a monthly premium based on your work history. If you don't purchase Part A when you're first eligible (and you don't qualify for special enrollment), you will have to pay a late enrollment penalty. In most cases, if you choose to buy Part A, you must also have Part B and pay monthly premiums for both.

Detailed plan information such as deductible and coinsurance can be found on the [Medicare.gov](https://www.medicare.gov) site.

What do I need to know about Medicare Part B?

What is Part B?

In general, Part B is **medical** insurance that helps cover medically necessary services like doctors' services, outpatient care, durable medical equipment, home health services, and other medical services. Part B also covers some preventive services.

What does Part B cover?

In general, Part B covers two types of services:

- Medically necessary services—Services or supplies that are needed to diagnose or treat your medical condition and that meet accepted standards of medical practice
- Preventive services—Health care to prevent illness (like the flu) or detect it at an early stage, when treatment is most likely to work best

Detailed plan information such as deductible and coinsurance can be found on the [Medicare.gov](https://www.medicare.gov) site.

How much does Part B cost?

If you have Part B, you will pay a premium each month. Most people will pay a standard premium.

If you have a higher income, you might pay more for your Medicare Part B coverage. Social Security will contact those individuals who have to pay more based on their income.

If you don't sign up for Part B when you're first eligible (and you don't qualify for special enrollment), you will have to pay a late enrollment penalty.

What's not covered by Medicare Parts A and B?

Medicare Parts A and B do not cover everything, such as custodial care, routine dental care, or prescription drugs. Even if Medicare Part A or Part B covers a service or item, you'll still generally have to pay deductibles, coinsurance, and copayments. Refer to [Medicare.gov](https://www.medicare.gov) for more information.

What do I need to know about Medicare Part D?

What is Part D?

In general, Part D is Medicare **drug coverage** that helps cover the cost of prescription drugs (including many recommended shots or vaccines).

The Prescription drug plan offered through Navistar is a Part D Drug Plan.



When can I enroll in Medicare?

Because you are turning 65, you are eligible for the initial enrollment period. If you're already receiving Social Security or Railroad Retirement benefits, you will be automatically enrolled in Medicare and automatically receive a Medicare card about three months before you turn 65.

If you are not already receiving Social Security or Railroad Retirement benefits, you can sign up for Medicare during the seven-month period that begins three months before the month you turn 65, includes the month you turn 65, and ends three months after the month you turn 65.

Medicare benefits begin date depends on when you enroll in the initial enrollment period:

- **During the first three months:** coverage will begin the first day of your birthday month; if your birthday is on the first day of the month, coverage will start the first day of the prior month
- **In your birth month:** coverage will begin one month after you sign up
- **During the month following your birth month:** coverage will begin two months after you sign up
- **During two to three months after you turn 65:** coverage will begin three months after you sign up

If you decline Medicare (including Part A that you need to purchase) when first eligible, the next opportunity to enroll in Medicare Part B will be during the general enrollment period. For Part D, the next opportunity to enroll will be during the annual enrollment period.

Part A (Premium) and Part B	
General Enrollment Period/ Open Enrollment Period (Available Annually)	You can enroll during the general enrollment period between January 1 and March 31 each year (coverage will begin July 1). Late enrollment penalties will apply.

Medicare Part A (Premium-Free)

If Part A is declined at the time of initial enrollment, you can enroll in premium-free Medicare Part A at any time; you do not need to wait until a special enrollment period or general enrollment period.

If you sign up within six months of your 65th birthday, your coverage will start at one of these times:

- The first day of the month you turn 65
- The month before you turn 65 (if your birthday is the first of the month)

After that, your coverage start date will go back (retroactively) six months from when you sign up.

Do I need to enroll in Medicare?

Enrolling in Medicare is your choice, but consider the following:

Part A (Hospital Coverage)	Part B (Medical Coverage)
You need to enroll in Medicare Part A in order to receive hospital coverage. If you have already paid Medicare taxes while you were working, you do not need to pay a premium for Medicare Part A.	Part B has a premium cost. You need to enroll in Medicare Part B in order to receive maximum benefits under the retiree health coverage.

If you delay your Medicare enrollment, you will need to pay higher premiums (due to a penalty) when you enroll in Medicare later.

Late enrollment penalties

Medicare Part A penalty	Medicare Part B penalty
If you need to purchase Part A and you do not purchase it when you are first eligible or during the special enrollment period, you will have to pay a late enrollment penalty for as long as you have Medicare. Your monthly premium for Part A may go up 10% for twice the number of years that you could have enrolled in Medicare Part A and chose not to sign up.	If you do not sign up for Medicare Part B when you are first eligible or during the special enrollment period, you will have to pay a late enrollment penalty for as long as you have Medicare. Your monthly premium for Part B may go up 10% for each full year that you could have enrolled in Medicare Part B and chose not to sign up.

How do I enroll in Medicare?

Medicare Parts A and B

You may be automatically enrolled in Medicare Parts A and B when you turn age 65. There are instances when you will need to enroll directly via Social Security.



When you turn 65:

- If you are presently receiving Social Security benefits or Railroad Retirement and are not enrolled in Medicare Part A or Part B, enrollment is automatic. You will receive your red, white and blue Medicare card in the mail approximately three months prior to your 65th birthday. You should start providing this card to your medical providers, so they know when your Medicare becomes effective.
- If you are not receiving Social Security benefits or Railroad Retirement and are not enrolled in Medicare, you can enroll in Part A or Part B by:
 - Applying on the Social Security website at <https://www.ssa.gov>.
 - Calling Social Security at 1-800-772-1213.
 - Visiting your local Social Security office.

Medicare Part D

You should not enroll in Medicare Part D if you are planning to enroll in a Navistar Retiree Medical plan because the Navistar plan includes prescription drug coverage. Note that you cannot be enrolled in more than one Medicare Part D prescription drug plan at a time.

How do I pay for Medicare?

You will not pay for Medicare through Navistar. Social Security will deduct the Medicare Part B premium directly from your Social Security benefit, including any late enrollment penalty fees, if applicable.

If CMS determines that you are an individual with limited income, you may qualify for extra help that provides low-cost Part D coverage. If applicable, CMS will notify you, and your premiums will be reduced.

Am I eligible to continue coverage with Navistar?

When you become eligible for Medicare, coverage under the pre-Medicare retiree benefit will end on the last day of the month prior to the Medicare eligibility date, and you will be eligible to participate in the post-Medicare medical plan. You will be provided with an enrollment opportunity to confirm your post-Medicare coverage and you will need to provide your and/or your dependent's Medicare data to complete the enrollment.

Note: If you are the second family member to become eligible for Medicare, you will also receive an enrollment opportunity in the post-Medicare medical plan that the first family member is enrolled in.

If your covered family members are not eligible for Medicare, they will be able to continue coverage under the pre-Medicare medical plan.

What about prescriptions?

Navistar's retiree health benefits include prescription drug coverage that is considered creditable (as good as Part D coverage). Refer to the Creditable Coverage Disclosure Notice to confirm which plans are creditable.

Navistar offers Medicare-approved plans.

Medical Coverage

You are eligible to enroll in a Medicare Advantage plan through Navistar. Medicare Advantage plans must follow requirements set by the Centers for Medicare & Medicaid Services (CMS).

You must be enrolled in Part A and Part B to be able to enroll in a Medicare Advantage plan.

If you're eligible for Medicare, you will be enrolled in a Medicare Advantage plan through Navistar. In order to complete this enrollment, you'll need to:

- Provide a valid Medicare number (displayed on your Medicare card)
- Provide a physical address if a PO Box is listed as your permanent address

You cannot be enrolled in another Medicare Advantage or Part D plan outside of the Navistar plan, as CMS will accept the latest enrollment request and disenroll you from any prior Medicare Advantage or Part D plans.

Note: If CMS denies enrollment into the Medicare-approved plan through Navistar, the company will notify you of next steps.

What happens if you don't enroll in Navistar's health benefits?

You can waive Navistar coverage, but this will result in a coverage gap, as Medicare Part A and Part B may not provide comprehensive benefits that you may need. Refer to the Medicare section for additional details.

In general, if you choose to waive Navistar coverage, you may enroll at a later date in the future. Note: Base Non-Represented plan retirees lose future eligibility if they waive Medical at the time of pension commencement. Refer to the Summary Plan Description for further information.

How does Medicare work with Navistar's health benefits?

Coordination of benefits is used when you are enrolled in two plans, and they need to determine the order and amount of the claim to pay.

- The health coverage that pays first (primary payer) pays up to the limits of its coverage.
- The one that pays second (secondary payer) only pays if there are costs the primary insurer didn't cover.
- The secondary payer may not pay all the uncovered costs.

Generally, if you're enrolled in health benefits from Navistar, there are rules for whether Medicare or your other insurance pays first. If you're enrolled in retiree health benefits with the company, Medicare will pay first. If you are enrolled in Medicare due to kidney dialysis or a kidney transplant, your health benefits from the company will pay first for the first 30 months, and then Medicare will pay first after this 30-month period.

If you do not enroll in Medicare Part B, **you will be responsible** for up to the full charged amount for outpatient and physician claims less the Navistar payment. Below is an example to better explain how your medical out-of-pocket expenses may increase **significantly** if you choose not to enroll in Medicare. Please note that this is just an example; the coordination of benefits and how much you would be responsible for will vary depending on the Navistar provisions and plan. Refer to the Summary Plan Description for additional coordination of benefits rules.

Example: Please review the chart below. The example provided is assuming that all deductibles have been met.

Payer	Enrolled in retiree health coverage and enrolled in Medicare A and B	Enrolled in retiree health coverage and <u>NOT</u> enrolled in Medicare A and B
Total charge for medical service	\$2,500	\$2,500
Medicare pays this amount (80% of the approved amount)	\$2,000 (primary payor)	N/A
The company pays this amount	\$-400 (secondary payor)	\$400 (pays as secondary, as though you are enrolled in Medicare coverage)
Your Responsibility	\$100	\$2,100

To avoid paying additional out of pocket for medical expenses, we **strongly encourage** you to enroll and remain enrolled in both Medicare Part A and Part B once you are eligible.

Where can I get more information about Medicare?

You can get more Medicare information on [Medicare.gov](https://www.medicare.gov), or you can call **1-800-633-4227**. You can also contact your local Social Security Administration (SSA) office at **1-800-772-1213**.

Not eligible for Medicare?

If you are not eligible for Medicare when you turn 65, you need to contact the Navistar P&C Connection Network to update your record and continue with your coverage as is.