



MidAmerican Energy Holdings Company

New Coverage. New Choices.

Updated | 9/15/2011

What We'll Cover Today

- What is changing?
- Why change?
- Who is eligible?
- How this affects you
- Introducing Extend Health
- Medicare marketplace
- Going forward
- Questions and answers

What Is Changing?

- MidAmerican is changing the way it provides health care benefits to Medicare-eligible retirees and their dependents
- New approach emphasizes **flexibility, choice** and **personalized support**
- Instead of the company offering group retiree health care coverage, you will now have the opportunity to purchase medical, prescription drug, dental and vision coverage in the individual market
- Provides access to extensive coverage options that may be better suited to meet your individual needs
- Extend Health will work one-on-one with you by phone to provide personal guidance to help you select the best plan(s) for you

What Is Changing?

- For those retirees who are currently receiving a subsidy for medical coverage, MidAmerican is providing a Health Reimbursement Arrangement (HRA)
- HRA works like a bank account to help you pay your premiums for the individual plan(s) you choose
- HRA also allows you to be reimbursed for other eligible expenses associated with your coverage, including copays and deductibles
- Amount of your HRA was calculated based on the cost-sharing arrangement you currently have in place
- HRA statement was included in your packet from MidAmerican

Why Change?

- Health care reform legislation is causing many employers, including MidAmerican, to change their approach to retiree health care benefits
- With recent changes to Medicare, individual plans have become more widely available and affordable
- We have found that many individual plans will provide better value than what the company could provide through a group plan, particularly due to changes in Medicare
- Provides access to extensive coverage options that may be better suited to meet your individual needs

Who Is Eligible?

MidAmerican is offering this new arrangement to all Medicare-eligible retirees and dependents who currently have medical coverage through the company

If you are Medicare-eligible and your dependent is not	<ul style="list-style-type: none">• You will enroll with Extend Health• Your dependent will continue to receive coverage through the company• Once your dependent becomes Medicare-eligible, he or she will have access to enrollment support through Extend Health
If you are not Medicare-eligible and your dependent is	<ul style="list-style-type: none">• You will continue to receive coverage through the company• Once you become Medicare-eligible, you will have access to enrollment support through Extend Health• Your dependent will enroll with Extend Health

How This Affects You

What you pay

- Your premium cost will be based on the plan(s) you choose
- If you currently receive a subsidy for medical coverage, you will receive a Health Reimbursement Arrangement (HRA)

How you enroll

- You will work with Extend Health to enroll in the plan(s) that best meet your individual health care needs

Your support

- Extend Health benefit advisors will help you understand the plans available to you and the costs associated with your coverage – such as premiums, copays and deductibles

Introducing Extend Health

The Industry's Largest Private Medicare Exchange

Who is Extend Health?

- Independent company
- Partner with 70+ health plan carriers
- Objective and trusted U.S.-based benefit advisors
- Focused on helping each retiree make an informed and confident decision

Why Extend Health?

- Experienced in helping retirees just like you
- Enrolled over 350,000 participants
- Services are provided at **no cost** to you

Plans and Partners

- All Medicare plan types
 - Medicare Advantage
 - Medigap
 - Prescription drug (Part D)
- Dental
- Vision



The Process

Educate

Evaluate/Enroll

Manage

Education

Getting Started Guide

- Gather information
 - Medicare card
 - Prescriptions
 - Doctors
- If you are currently enrolled in medical coverage through MidAmerican, pre-existing conditions will not limit your plan selection at this time*
- Contact Extend Health
 - **1-866-249-7791**
 - www.ExtendHealth.com/MEHC

*Except end-stage renal disease



Getting Started

Prepare for Medicare enrollment 2012

This guide contains

- Suggestions for preparing for the 2012 Medicare enrollment period
- Contact information and tips about how to work with Extend Health

Greetings from Extend Health

Your employer has asked Extend Health to work with you to evaluate and select coverage for 2012. We are pleased to have the opportunity to help you make an informed and confident health care coverage choice.

To prepare for your enrollment and ensure a smooth transition later in the year, Extend Health needs specific

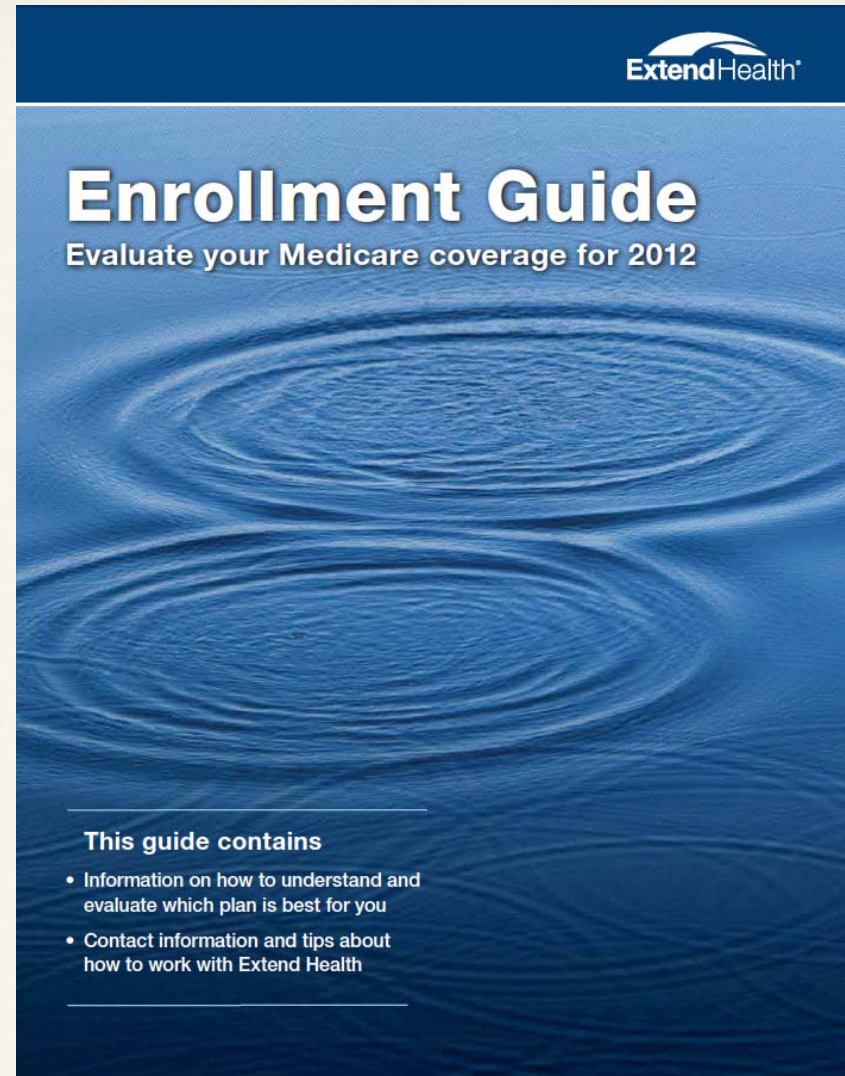
information from you. After reading this guide, you will understand what type of information we need to collect from you, how best to provide it to us, and the benefit to you once we receive it. Providing this information in advance will simplify and improve your evaluation and enrollment experience.



Education

Enrollment Guide

- Prepares you for enrollment discussion
- Reviews Medicare basics
- Appointment time confirmation in cover letter



Decision Support Tools www.ExtendHealth.com/MEHC

Register | Login | Speak to an Expert

ExtendHealth SHOP & COMPARE HELP

MEDICARE HEALTH INSURANCE

Search all plans | Help me choose | Prescription Profiler™ | Understanding Medicare

Prescription Profiler™

This tool allows you to search Medicare plans using your list of prescriptions to find low-cost coverage options. *Required fields

1 About the applicant

Location* ZIP CODE COUNTY
84020 Select County

Birth date* MONTH DAY YEAR
Aug 10 1945

Gender Male Female

Tobacco use No Yes

Disabled No Yes

2 Eligibility information

When would you like coverage to begin?*

MONTH YEAR
Sep 2010

Do you have End Stage Renal disease? No Yes

3 Enter your prescriptions

Enter the name of the medication

Enter the name of the drug or the first three letters of the drug name.
(For example, enter "Lip" to locate the drug "Lipitor.")

Helpful tips

- [How is this information used?](#)
- [Why must I enter each person's information separately?](#)
- [What is Medicare eligibility?](#)

Speak to an expert

To speak to a licensed benefit advisor call

1-866-322-2824
(TTY: 1-866-508-5123)
Mon.-Fri. 9 am to 9 pm Eastern

- Help me choose
- Prescription Profiler

Evaluate and Enroll



Hours of Operation
Monday - Friday,
8 a.m. - 8 p.m.
Central Time

Licensed benefit advisors

- Located in Salt Lake City, Utah, and Richardson, Texas
- Objective advocacy
- Neutral compensation
- Extensive training
- Licensed, certified, appointed
- Average age 43

Enrollment Process

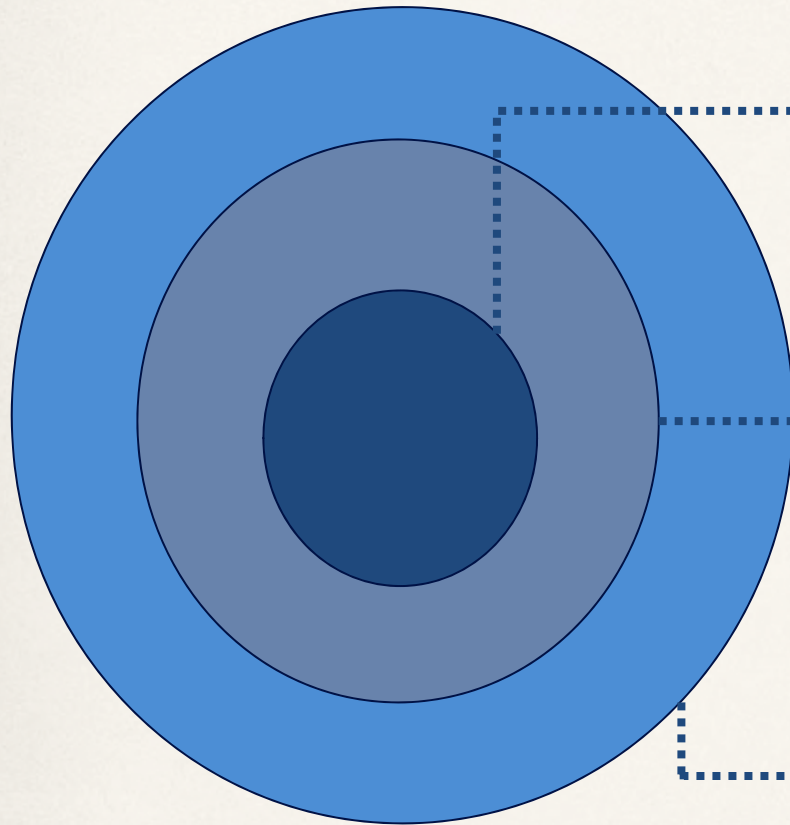


- Benefit advisors can discuss coverage options with anyone; need to speak to the participant to complete the enrollment
- Once you have made a coverage selection, enrollment is conducted via telephone
- All calls are recorded

Medicare and You

MEDICARE		HEALTH INSURANCE	
1-800-MEDICARE (1-800-633-4227)			
NAME OF BENEFICIARY			
JANE DOE			
MEDICARE CLAIM NUMBER		SEX	
000-00-0000			
IS ENTITLED TO		EFFECTIVE DATE	
HOSPITAL (PART A)		07-01-1986	
MEDICAL (PART B)		07-01-1986	
SIGN HERE → _____			

Your Future Coverage



Primary Coverage

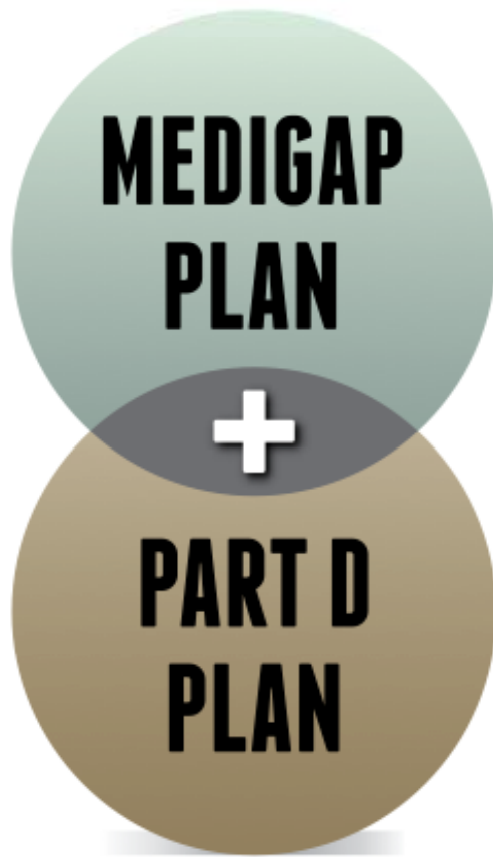
- Medicare A and B

Additional Coverage (Your Choice)

- Medicare Advantage with Prescription Drug (MAPD)
- Medigap + Prescription Drug

Optional Coverage (Your Choice)

- Dental and Vision



OPTION 1:

A Medigap plan & a Part D plan

MEDIGAP

A Medigap plan fills the “gaps” in original Medicare Part A and Part B coverage (*i.e., helps pay the difference between your costs and the amount original Medicare pays*). These plans provide additional coverage for your doctor visits and hospital stays as well as other expenses not covered by original Medicare.

PART D PLAN

A Part D plan supplements Medigap to provide prescription drug coverage. These plans help pay for your prescription drug expenses.

If you enroll in a Medigap plan, you will need to pay your first premium at the time you enroll. This does not apply to enrollment in a Part D plan.



**MEDICARE
ADVANTAGE**

OPTION 2:

**A Medicare Advantage plan with
prescription drug coverage (*MAPD*)**

MAPD PLAN

An MAPD plan provides an all-in-one plan that bundles your Part A, Part B and prescription drug coverage together with additional benefits. These plans provide coverage for your doctor visits, hospital stays, and prescription drug expenses.

Medicare Prescription Drug Coverage

Initial coverage: You pay

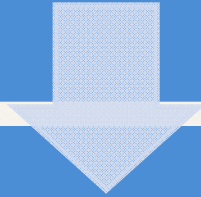
Deductible and copays for your plan

Coverage for the first \$2,930 in actual cost of medications



Coverage gap (donut hole): You pay

50% of brand drugs and 86% of generics until out-of-pocket costs reach \$4,700



Catastrophic coverage: You pay

\$2.60 for generics and \$6.50 for brand drugs or 5% whichever is greater

Location Specific Plans

2011 Average Plan Availability*

Plan Type	Number of Plans Offered	2011 Monthly Premium	Company
Medicare Advantage	9	\$0 - \$147	Varied (e.g., AARP, Humana, Secure Horizons)
Medigap/ Medicare Supplement	9	\$77 - \$176	Varied (e.g., AARP, BCBS)
Part D	15	\$18 - \$82	Varied (e.g., AARP, Humana, Cigna, Medco)

*Actual plans are available to participants based on individual ZIP code and county. Plans will be discussed when on the phone with an Extend Health benefit advisor and also are available on the website at www.ExtendHealth.com/MEHC.

2011 Average Plan Availability*

Plan Type	Number of Plans Offered	2011 Monthly Premium	Company
Vision	1	\$14 Annual eye exam: \$15 Coverage for eyeglasses, lenses and frames	Vision Service Plan (VSP)
Dental	2	\$17 - \$43 \$0 - \$50 deductible \$1,000 - \$1,600 annual maximum benefit	Varied (e.g., Delta Dental, Humana Dental)

*Actual plans are available to participants based on individual ZIP code and county. Plans will be discussed when on the phone with an Extend Health benefit advisor and also are available on the website at www.ExtendHealth.com/MEHC.

What Are Popular Coverage Options and How Much Do They Cost?

Medicare Advantage Plan 70-year-old male

- Premium: \$49 per month
- Network: PPO
- Deductible: \$0
- Doctor copay: \$10; specialist copay: \$35
- Hospital: \$250 copay per day for days 1-8
- Emergency room: \$50 copay if not admitted
- Rx: \$0 deductible and \$6/\$40/\$80/33%
- Mail order: 90-day supply

What Are Popular Coverage Options and How Much Do They Cost

Medigap Plan F and PDP 70-year-old male

- Premium medical/Rx: \$220 per month (\$178 + \$42)
- Network: Any doctor that accepts Medicare
- Deductible: \$0
- Doctor copay: \$0; specialist copay: \$0
- Hospital: \$0
- Emergency room: \$0
- Rx: \$0 deductible and \$7/\$45/\$76/33%
- Mail order: 90-day supply

Health Reimbursement Arrangement

How the Process Works

What is a Health Reimbursement Arrangement (HRA)?

- Tax-advantaged account used to reimburse you for eligible health care expenses
- If you currently receive a subsidy for your retiree health care, you will receive an HRA
- The amount of your HRA was calculated based on the cost-sharing arrangement you currently have in place
- The HRA can be funded only by the company; you cannot contribute your own money to the account

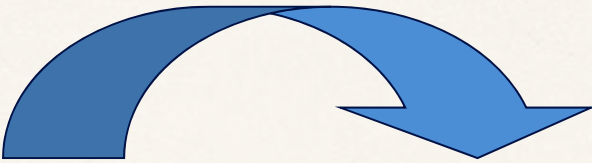
What is a Health Reimbursement Arrangement (HRA)?

- You pay your plan premiums and other eligible expenses, then submit a claim to Extend Health for reimbursement from your HRA
- Many insurance carriers provide the option to set up automatic monthly payments deducted from your HRA to the carrier
- HRA funds will be available January 1, 2012
- The HRA is a joint account that can be used by you and your eligible dependent
- Any leftover HRA balance at the end of the year will remain in your account and may be used to pay future premiums or eligible out-of-pocket expenses in later years

If You Currently Have a Retiree Medical Account (RMA)

- Your RMA balance as of December 31, 2011, will transition into the new HRA
- With the new HRA, you no longer will make an RMA election through MidAmerican
- HRA may be used to reimburse both the retiree's and the dependent's eligible plan premiums and other eligible expenses

Health Reimbursement Arrangement: How It Works

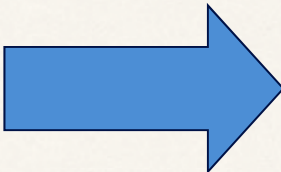


The company allocates dollars to HRA accounts of eligible retirees

Retiree HRA Account

Administered by
Extend Health

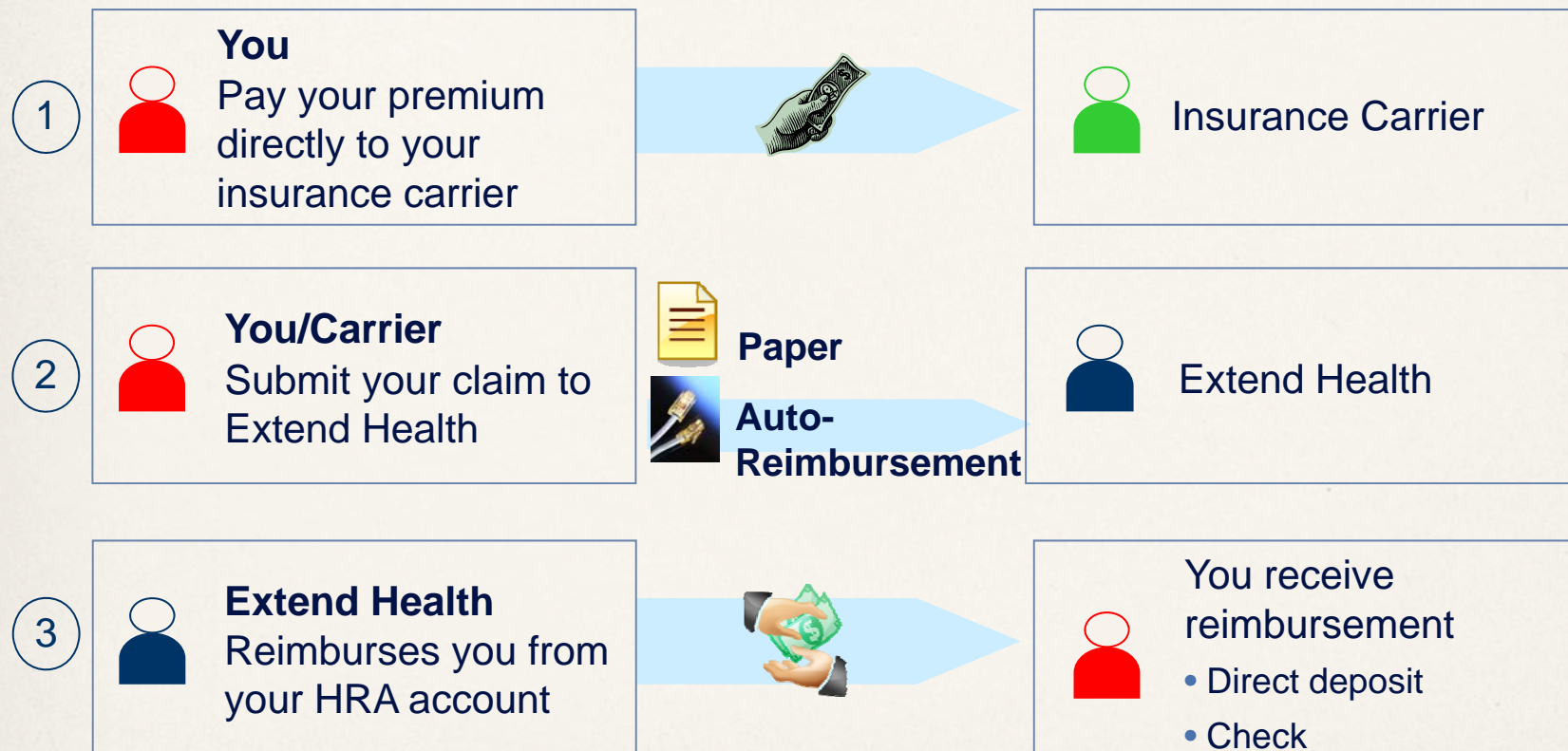
Retiree works through Extend Health to enroll in individual coverage



Retiree is reimbursed for health care expenses using HRA account

Health Reimbursement Arrangement

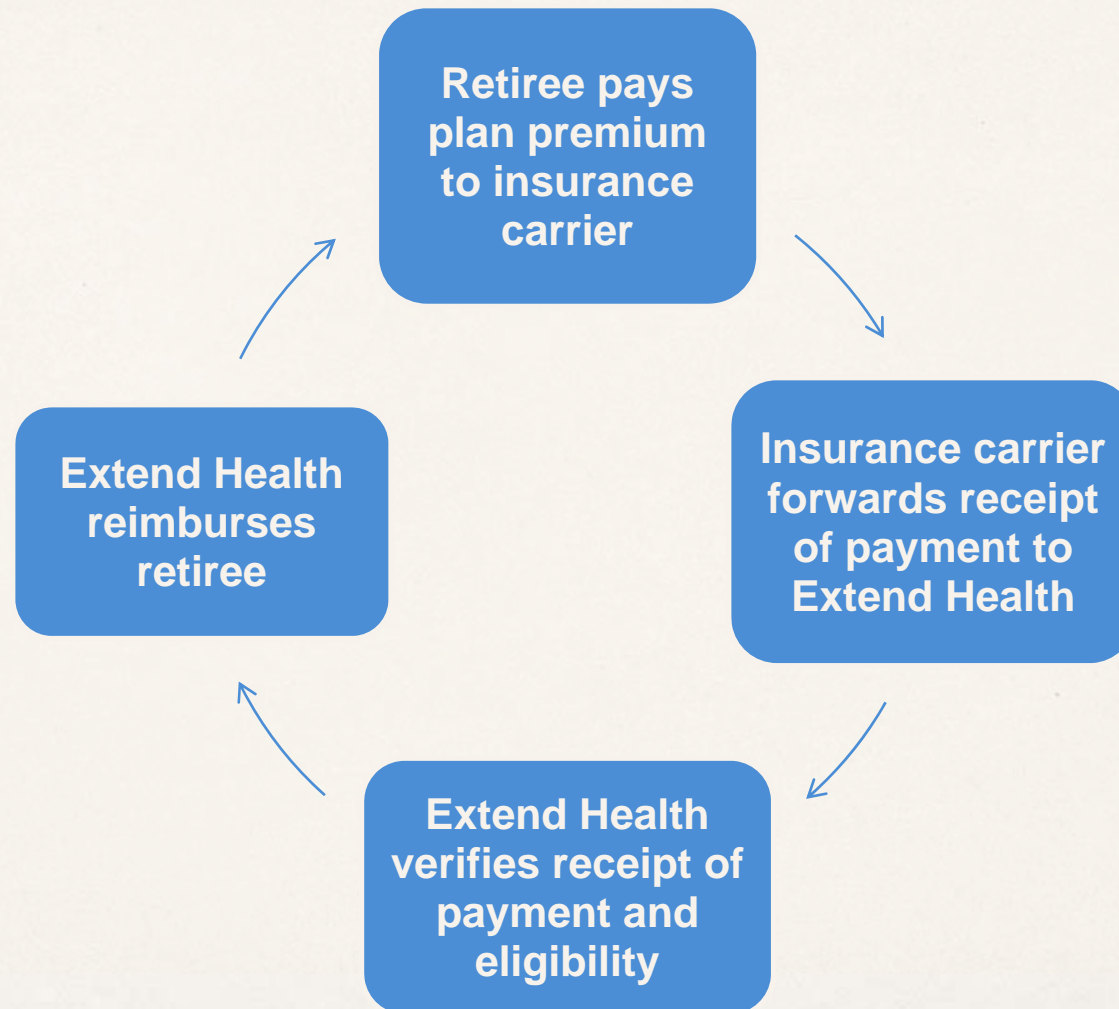
Accessing your HRA funds



What is Auto-Reimbursement?

- Allows you to be automatically reimbursed for monthly medical, prescription drug, dental and vision premiums without submitting a claim form
- Auto-reimbursement applies to premiums paid
 - It does not apply to other out-of-pocket expenses, including copays, deductibles and coinsurance

How Auto-Reimbursement Works



Next Steps

What You Need To Do

Action required!

- Review the materials you received from MidAmerican for additional information
- Choose new individual Medicare medical, prescription drug, dental and vision plans for 2012
 - Enroll through Extend Health between **October 24** and **December 31**
 - You and your Medicare-eligible dependent will each need to enroll for coverage

If you currently have medical coverage through MidAmerican, coverage elections are guaranteed and not subject to underwriting during this enrollment period

Before Calling Extend Health

Review the Getting Started Guide



Gather Medicare card,
prescriptions and doctor
information



Call Extend Health at
1-866-249-7791

www.ExtendHealth.com/MEHC

Questions and Answers