



New Coverage and New Choices

Coverage Effective Date: January 1, 2013

What we'll cover today



- What is changing and why?
- How this affects you
- Introducing Extend Health
- Medicare marketplace
- Going forward
- Questions & answers

What's changing?

Baker Hughes is changing the way it provides access to healthcare coverage for Medicare-eligible retirees and their spouses who are age 65 or older.

- **Now** – Healthcare coverage provided by Baker Hughes through a group Medicare supplement plan.
- **Effective December 31, 2012** – Coverage in the group Medicare supplement plan ends.
- Coverage in your individual plan begins January 1, 2013.
- Eligible participants will be able to choose an individual Medicare supplement plan through Extend Health beginning October 3, 2012.

Why This Approach?

- Allows retirees to have more choice and the ability to customize their healthcare coverage. This could lead to lower premiums.
- Extend Health specializes in providing these services for retirees across the U.S.
- This will allow Baker Hughes to remain competitive and to provide strong benefits.

How This Affects You



Group Medicare supplement coverage ends on
December 31, 2013.

How you enroll

- You will work with Extend Health to enroll in a plan that meets your medical and prescription needs.

Your support

- Extend Health Benefit Advisors will help you understand the costs associated with your coverage – premiums, co-payments, deductibles and all other costs.

How This Affects You



Group Medicare supplement coverage ends on
December 31, 2012.

What you pay

- May change – depending on what coverage you choose.

How you pay

- You will begin paying your chosen health insurance carrier directly.
- You'll be able to use the funds remaining in your RMA toward the cost of premiums and eligible out-of-pocket expenses.
- For some eligible retirees, Baker Hughes will contribute toward the cost of coverage through a new Health Reimbursement Arrangement (HRA) that can be used toward the cost of premiums and eligible out-of-pocket expenses.
 - Eligibility for the HRA is determined by your date of retirement and what you currently pay for health coverage.



Introducing Extend Health

The Industry's Largest Medicare Exchange

Who is Extend Health?



- Independent company
- Partner with 75+ health plan carriers
- Objective and trusted U.S. based benefit advisors
- Focused on helping each participant make an informed and confident decision

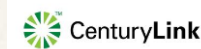
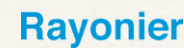
Why Extend Health



- We are experienced in helping people just like you
- Our services are provided at **no cost** to you

Market-Leading Private Sector Clients

175 Employers – 40 Fortune 500 Companies



95%+ Client Retention Rate

Plans & Partners

All Medicare Plan Types

- Medicare Advantage
- Medigap (supplement)
- Prescription Drug (Part D)

**Vision
Dental**



***Some of our Carrier
Partners***

The Process

Educate

Evaluate/Enroll

Manage

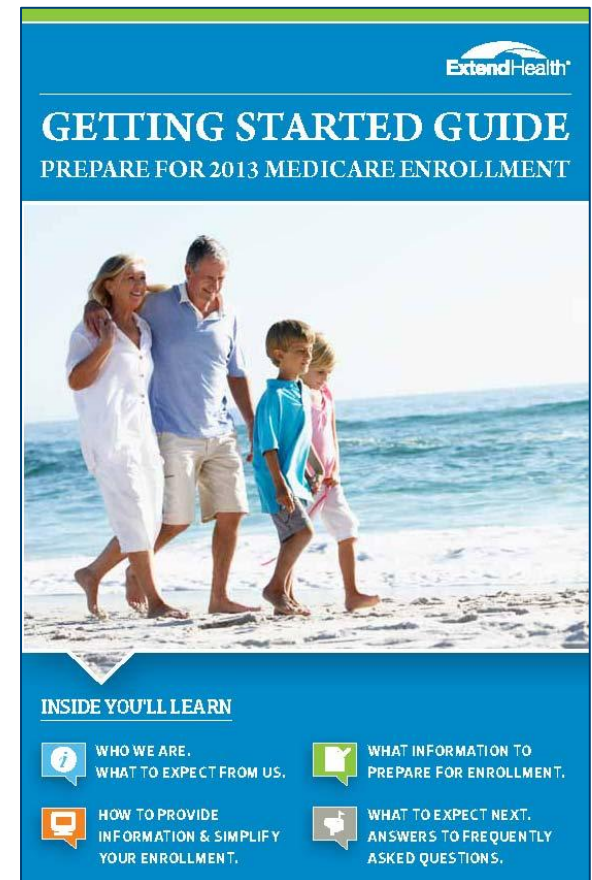
Education

Getting Started Guide



- Gather information
 - (e.g. prescriptions)
 - Pre-existing conditions will not limit your plan selection*
 - Give us a call
 - 855-663-4227
 - www.ExtendHealth.com/BakerHughes

* *except end-stage renal disease*

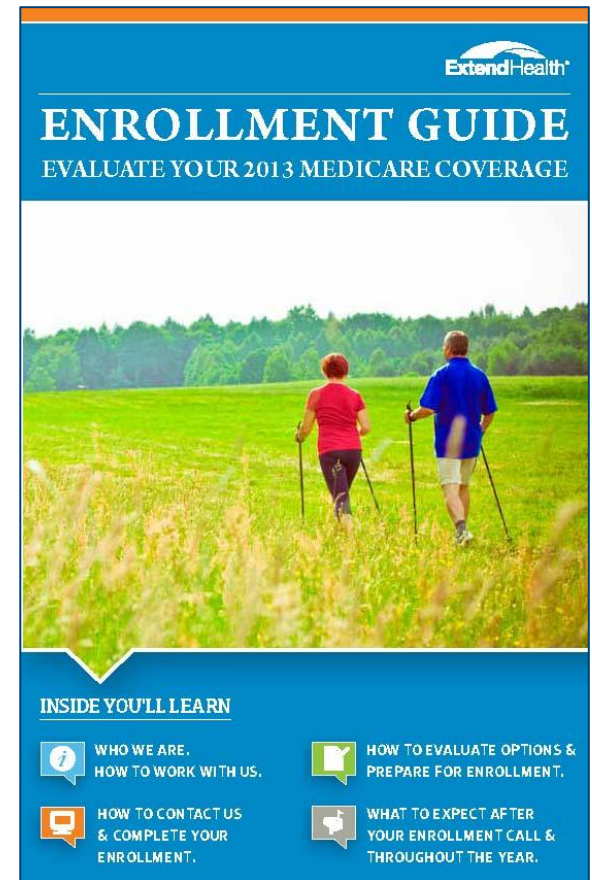


Education

Enrollment Guide

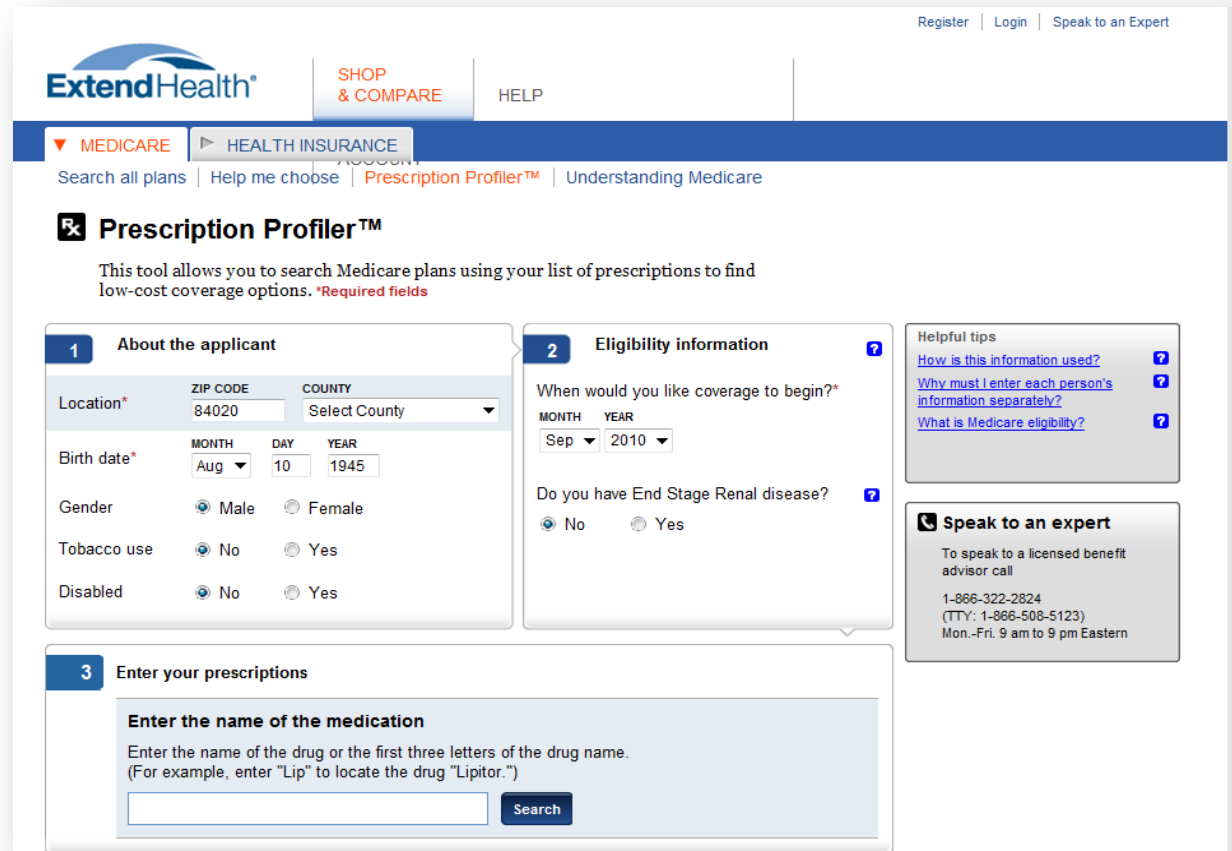


- Prepare you for enrollment discussion
- Review Medicare basics
- Appointment confirmation letter



Decision Support Tools

- Help Me Choose
- Prescription Profiler



The screenshot shows the Prescription Profiler tool interface. At the top, there is a navigation bar with the ExtendHealth logo, a 'SHOP & COMPARE' button, and a 'HELP' link. Below this is a secondary navigation bar with 'MEDICARE' and 'HEALTH INSURANCE' tabs. The main content area is titled 'Prescription Profiler™' and includes a description: 'This tool allows you to search Medicare plans using your list of prescriptions to find low-cost coverage options. *Required fields'. The form is divided into three main sections: 1. 'About the applicant' with fields for Location (ZIP CODE: 84020, COUNTY: Select County), Birth date (MONTH: Aug, DAY: 10, YEAR: 1945), Gender (Male/Female), Tobacco use (No/Yes), and Disabled (No/Yes). 2. 'Eligibility information' with fields for 'When would you like coverage to begin?' (MONTH: Sep, YEAR: 2010) and 'Do you have End Stage Renal disease?' (No/Yes). 3. 'Enter your prescriptions' with a text input field for 'Enter the name of the medication' and a 'Search' button. On the right side, there are two sidebars: 'Helpful tips' with links like 'How is this information used?' and 'What is Medicare eligibility?'; and 'Speak to an expert' with contact information for a licensed benefit advisor call (1-866-322-2824).

Evaluate and Enroll



Hours of Operation

Monday – Friday

7 a.m. – 8 p.m.

Central Time

Licensed Benefit Advisor

- 100% domestic workforce
- Objective advocacy
- Neutral compensation
- Extend University
- 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.
- 100% of calls are recorded.

Web-Based Decision Tools

Compare Plans Side by Side

Register | Login | Cart (0) | Speak to an Expert

ExtendHealth SHOP & COMPARE HELP MY ACCOUNT

MEDICARE DENTAL VISION

Shop Plans Help Me Choose Prescription Profiler™ Plans Like Mine Understanding Medicare

Start Shopping Summary of Plan Options Shop for Medicare Advantage Plans Compare Medigap Plans

Comparing Medigap Plans

Johnathon's Details
 Zip Code 98009
 Gender: Male
 Born 1943
 Coverage Starts: Jan 1, 2012

1	2	3
BlueCross BlueShield	CIGNA	HUMANA
PLAN NAME: High Deductible F Plan	PLAN NAME: Plan C	PLAN NAME: Plan A
PREMIUM: \$49.50 per month	PREMIUM: \$125.80 per month	PREMIUM: \$176.93 per month
Enrollment Options: Online Enrollment Available	Enrollment Options: Voice Signature Required	Enrollment Options: Online Enrollment Available
Coverage Includes: [Icons]	Coverage Includes: [Icons]	Coverage Includes: [Icons]
Coverage Does Not Include: [Icons]	Coverage Does Not Include: [Icons]	Coverage Does Not Include: [Icons]

Speak to an Expert
 To speak to a licensed benefit advisor call:
 1-800-000-0000
 (TTY: 1-866-508-5123)
 Mon.-Fri. 9 am to 9 pm Eastern

Find Plans with Lower Prescription Drug Costs

Register | Login | Cart (0) | Speak to an Expert

ExtendHealth SHOP & COMPARE HELP MY ACCOUNT

MEDICARE DENTAL VISION

Shop Plans Help Me Choose Prescription Profiler™ Understanding Medicare

Prescription Profiler™

Search Medicare Supplemental Insurance plans using your list of prescriptions to find your lowest-cost coverage options.

Johnathon's Details
 Zip Code 98009
 Gender: Male
 Born 1943
 Coverage Starts: Jan 1, 2012

1 Enter your prescriptions

Lipitor A generic is available for this drug.	Form: Pill Dosage: 100mg Package Size: 30 pills Amount per 30 days: 60
Caduet	Form: Pill Dosage: 130mg Package Size: 60 pills
Zyrtec	Form: Pill Dosage: 800mg Package Size: 30 pills
Diastat	Form: Pill Dosage: 100mg Package Size: 30 pills

Speak to an Expert
 To speak to a licensed benefit advisor call:
 1-800-000-0000
 (TTY: 1-866-508-5123)
 Mon.-Fri. 9 am to 9 pm Eastern

Calculate Out-of-Pocket Costs

Register | Login | Cart (0) | Speak to an Expert

ExtendHealth SHOP & COMPARE HELP MY ACCOUNT

MEDICARE DENTAL VISION

Shop Plans Help Me Choose Prescription Profiler™ Plans Like Mine Understanding Medicare

Start Shopping Summary of Plan Options Shop for Medicare Advantage Plans Plan Details

Showing: Medicare Advantage Plan

Johnathon's Details
 Zip Code 98009
 Gender: Male
 Born 1943
 Coverage Starts: Jan 1, 2012

HUMANA PLAN NAME: Medicare Complete Plus Plan 2
 H4604, plan 005 Plan 2 H4604 plan two three four
 PREMIUM: \$19.86 per month

Plan Overview Prescription Profiler™
 Additional Details for this Plan Show Annual Out-Of-Pocket Costs

ANNUAL OUT-OF-POCKET COSTS (ESTIMATED)



THIS PLAN COVERS	PREMIUMS FOR YEAR	ANNUAL DEDUCTIBLE	DRUG COST	OUT-OF-POCKET COSTS
15 of 20 prescriptions	\$1,548	\$300	\$6,385	\$6,685

ESTIMATED MONTHLY PRESCRIPTION DRUG COST

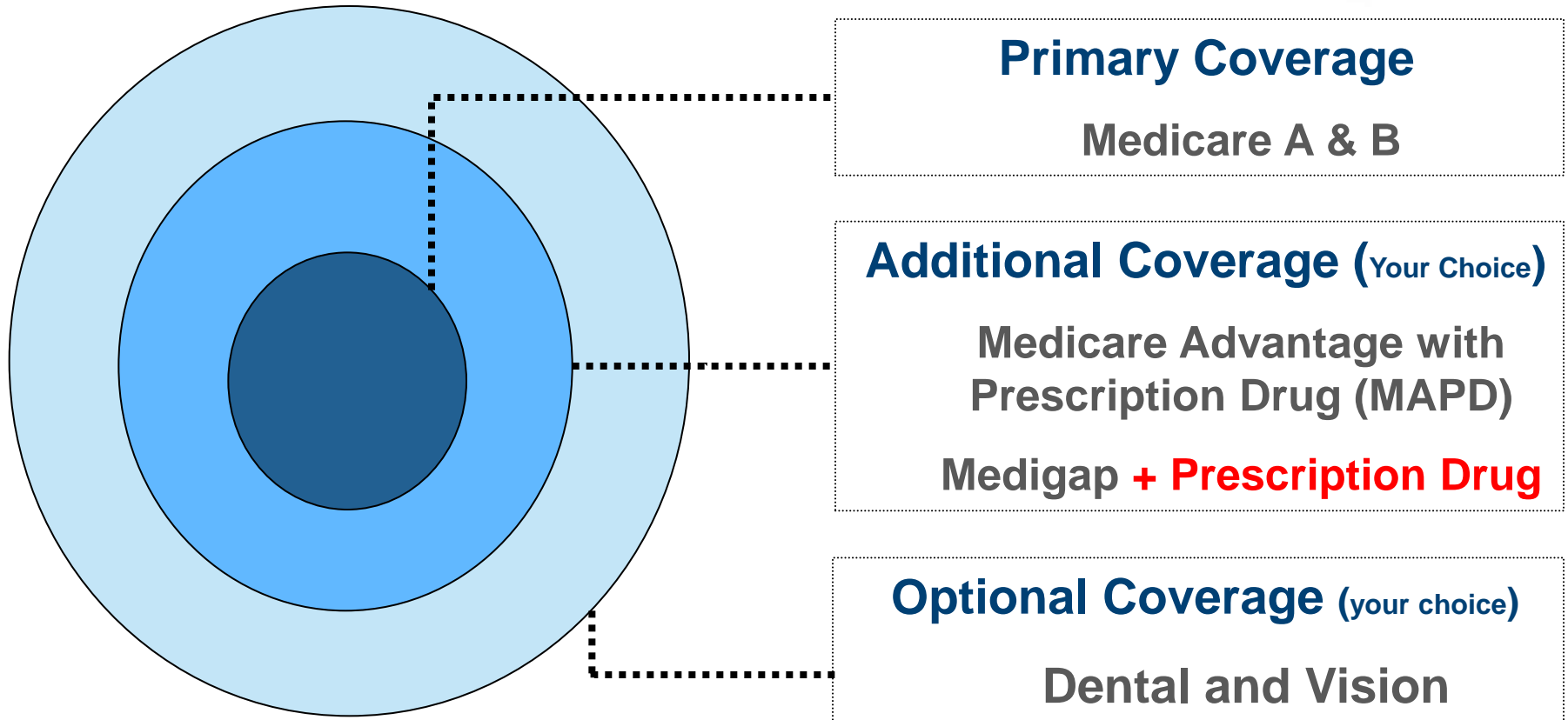
Month	Estimated Monthly Prescription Drug Cost
Jan	\$20
Feb	\$20
Mar	\$20
Apr	\$20
May	\$20
Jun	\$20
Jul	\$113
Aug	\$113
Sep	\$113
Oct	\$113
Nov	\$8
Dec	\$8

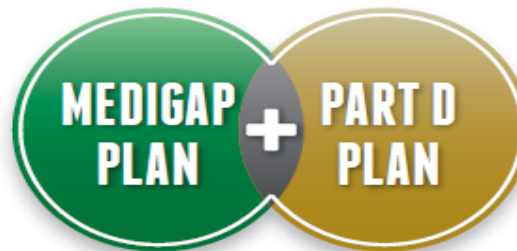
Speak to an Expert
 To speak to a licensed benefit advisor call:
 1-800-000-0000
 (TTY: 1-866-508-5123)
 Mon.-Fri. 9 am to 9 pm Eastern

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
Start HERE 	_____

Your Future Coverage





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, meaning it helps pay the difference between the total costs and the amount original Medicare pays. These plans provide additional coverage for your doctor visits and hospital stays as well as other expenses partially covered by original Medicare. Medigap plans do not provide prescription drug coverage.

PART D PLAN

A Part D plan provides prescription drug coverage. These plans help pay for your prescription drug expenses.

Option 2



A MAPD plan
(Medicare Advantage with
Prescription Drug coverage)

MAPD

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 co-pays for your plan

Coverage for the first \$2970 in actual cost of meds

Coverage Gap – Donut Hole

You pay

47.5% of brand drugs and 79% of generics
until out of pocket costs reach \$4750

Catastrophic Coverage

You pay

\$2.65 for generics and \$6.50 for brand
or 5% whichever is greater

Location Specific Plans

2012 Plan Availability in Brazoria County



Plan Type	Number of Plans Offered	2012 Monthly Premium	Company
Medicare Advantage	5	\$0 - \$54	Humana, AARP, Coventry
Medigap/ Medicare Supplement	22	\$73 - \$321	BCBS of TX, Sterling Health Plan, AARP, Humana & Aetna
Part D	17	\$15 - \$104	AARP, Cigna, Aetna, Humana, CVS, Coventry, WellCare, Community CCRx

2012 Plan Availability in Brazoria County



Plan Type	Number of Plans Offered	2012 Monthly Premium	Company
Vision	1	\$14 per person per month Annual eye exam: \$15 Coverage for eye glasses, lenses and frames	Vision Service Plan (VSP)
Dental	3	\$15 - \$36 \$0 - \$50 deductible \$1,000 - \$1,000 annual maximum	Delta Dental, Humana Dental

Medicare Advantage Plan

- Network: PPO
- Premium: \$49
- Deductible: \$0 (in network) \$500 (out of network)
- Doctor copay: \$15 Specialist copay: \$40
- Hospital: Days 1-7: \$225/day, Days 8-90: \$0/day
- Emergency Room: \$65 copay if not admitted
- Rx: \$7/\$40/\$80/33%
- 90 day mail-order available

Medigap Plan F and PDP – 75 year old male

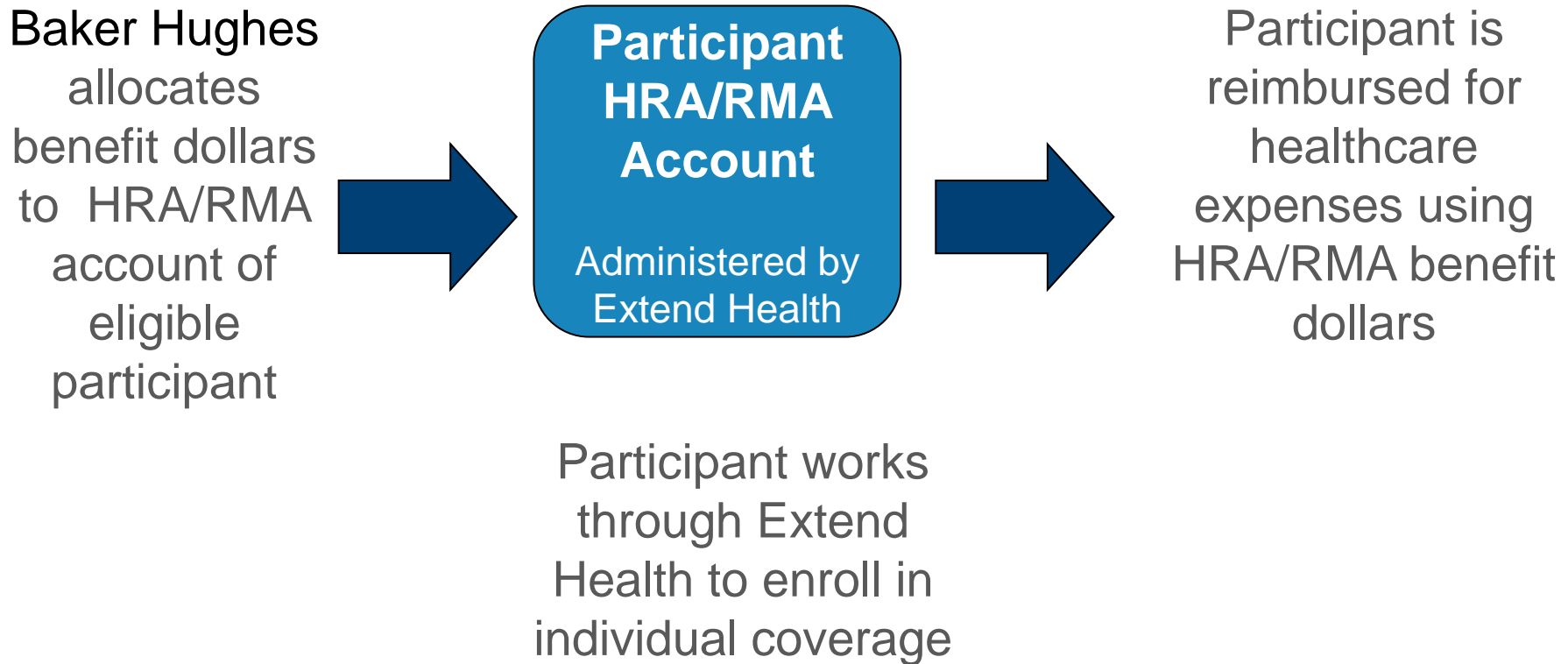
- Network: Any doctor/hospital that accepts Medicare
- Premium: \$215.75/Medical + \$39.90/PDP [\$255.90 total]
- Deductible: \$0
- Doctor copay: \$0 Specialist copay: \$0
- Hospital: \$0
- Emergency Room: \$0 Co-pay
- Rx: \$0 deductible \$7/\$39/\$73/33%
- 90 day mail-order available

Health Reimbursement Arrangement and Retiree Medical Account

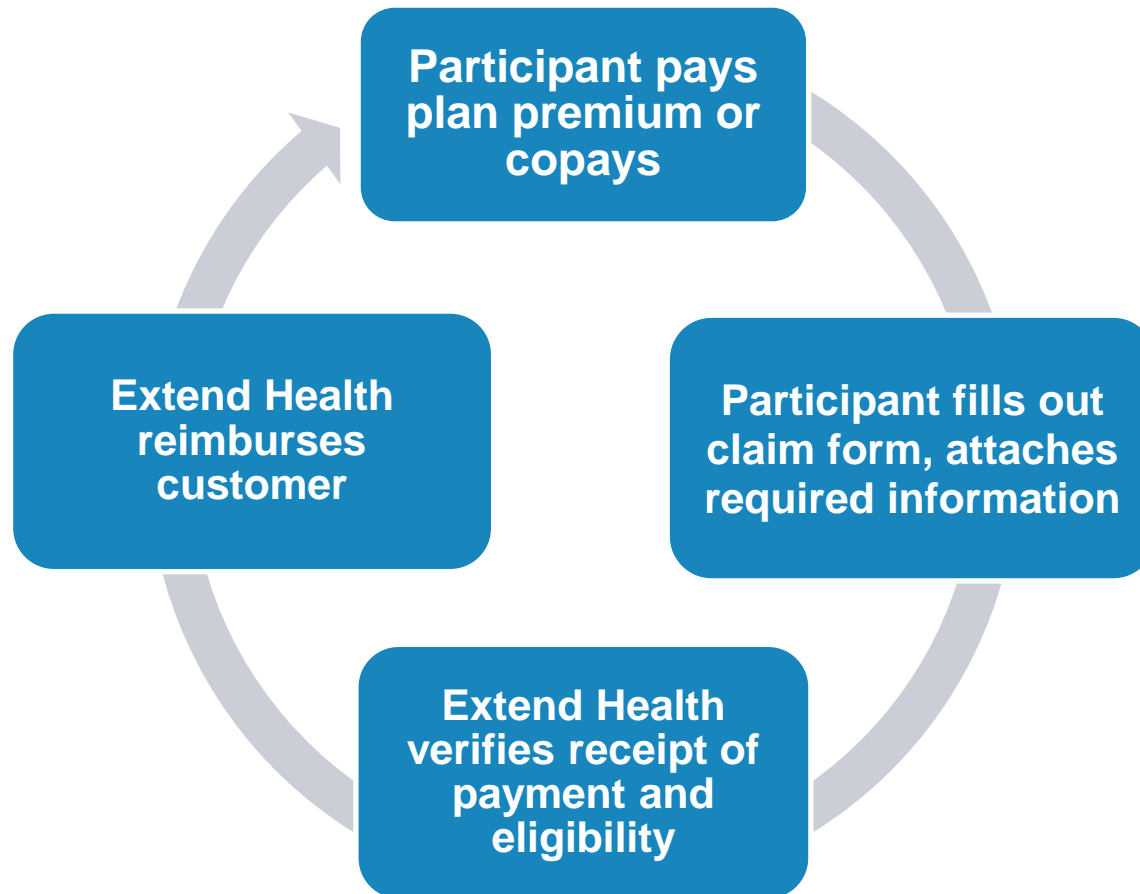
- Auto-Reimbursement (AR)
- How the Process Works

- An HRA/RMA may sometimes be called a subsidy and is a tax-advantaged account used to reimburse you for eligible health care expenses.
- You must meet Baker Hughes' eligibility requirements to qualify for an HRA.
- Your HRA/RMA funds will be available January 1, 2013.
- Some retirees have an RMA and will be able to continue using those funds by enrolling via Extend Health.
- You will receive a letter shortly which will include your subsidy amount.

HRA/RMA: How It Works



How to File a Paper Claim



Extend Health Manual Claim Form



Remember,
You can be
Reimbursed for
Part B by sending
in your statement

Health Reimbursement Arrangement (HRA) Claim Form

PayFlex Systems USA, Inc. Extend Health HRA P.O. Box 3039 Omaha, NE 68103-3039	PayFlex Systems USA, Inc. Extend Health HRA (402) 231-4310 (No Cover Page Required) Page 1 of _____
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Account Holder Information (Please Print Legibly):

Last Name: _____ First Name Name: _____ M.I. _____

Social Security Number: _____ Zip Code: _____

Reimbursement Request Information:

Date of Service (MM/DD/YYYY)	Type of Service (Medical, Prescription Drug, Dental, Vision, Hearing, Premium)	Name of Patient	Patient Relationship (Spouse, Domestic Partner, or Other. Define Relationship)	Requested Amount
Total Amount Requested				\$ _____

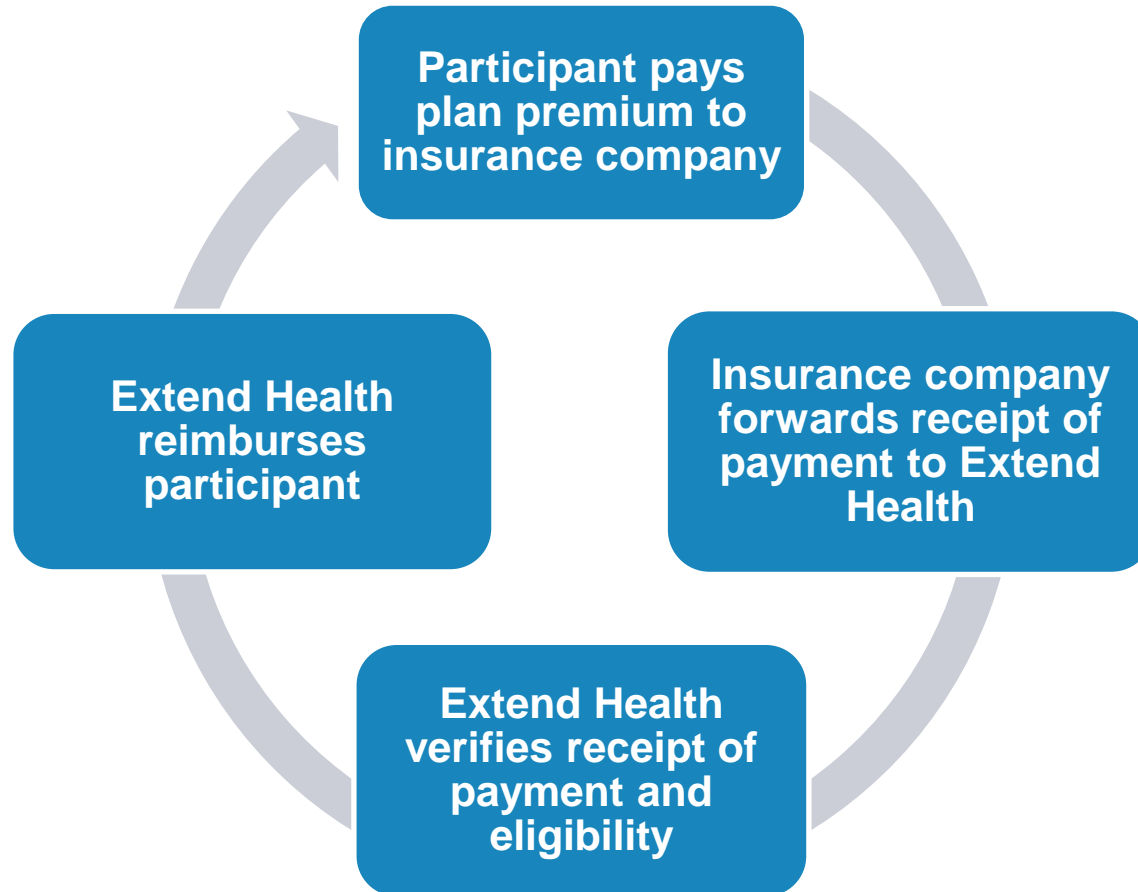
CERTIFICATION REQUIRED!
 By adding my signature, I certify that the information I'm providing is correct and the expenses for which I'm requesting reimbursement, or for which I'm validating:

- Were incurred for services or supplies received by my eligible dependents or me under the plan;
- Were for services or supplies furnished on or after the date my Health Reimbursement Arrangement (HRA) takes effect;
- Haven't been reimbursed in any other way or from any other source and won't be submitted for future reimbursement; and
- Don't include any amounts that are otherwise payable by plans for which my dependents or I are eligible.

I understand that health care reimbursements aren't eligible deductions on my individual tax return. Claim decisions will be made in accordance with the provisions of the plan.

Account Holder Signature _____ Date _____

How Auto-Reimbursement Works



What is Auto-Reimbursement?



- Auto-Reimbursement (AR) is a service offered by Extend Health
- AR only applies to premiums paid, not expenses
- AR is NOT available on all plans
- Due to the timing of AR files it is usually not the fastest way to get a reimbursement, but it is very convenient

More Details on AR

- Initial AR reimbursement may take up to 3 months
- All premiums paid prior to activation of AR will be reimbursed at once
- If you need your reimbursement sooner, simply file a paper claim
- Forms and instructions provided in your HRA/RMA Welcome Kit
- Once AR is activated, you can expect to receive your reimbursement around the same time each month

Next Steps

Next Steps

Review “Getting Started” Guide

A light blue downward-pointing arrow indicating the flow from the first step to the second.

**Gather Medicare, prescriptions
and doctor information**

A light blue downward-pointing arrow indicating the flow from the second step to the third.

**Call Extend Health at:
855-663-4227**

Advocacy and support services

- Toll Free number to contact Extend Health representative
 - Direct support for claims issues, appeals and network questions
- Renewal process – ability to pick new coverage for future years – not locked into this year's choice
- Ongoing enrollment services

Questions & Answers

Frequently Asked Questions

Q: Do you offer plans that cover me in multiple states-I am a snowbird?

A: Medigap plans are accepted by every Medicare-participating provider in the U.S., with some emergency benefits worldwide. If you travel frequently or live part of the year out-of-state, these plans may be right for you. Part D plans provide nationwide coverage from participating pharmacies. Medicare Advantage plans cover urgent and emergency services nationwide, but some may not provide nationwide coverage for non-emergency services. If you live part of the year out-of-state, these plans may not be right for you.

Q: I re-married after I retired—is my spouse eligible for Extend Health’s services?

A: No. You will not qualify for the subsidy. However, Extend Health can assist you with individual plan coverage.

Q: How often will I be billed? By whom? Can I pay by check?

A: When you enroll in a new plan, you will need to begin making premium payments to the insurance company in order to maintain your coverage. Some insurance companies may require the first month’s premium payment during the application process. In this case, you should expect to make a payment within a few days of your enrollment. Please have your billing information ready when you make your enrollment call to Extend Health.

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Most insurance companies give you several billing options for ongoing payments: direct billing, paid by check each month, Electronic Funds Transfer from your checking account, or automatic deduction from your social security check. You

Q: If I don't like the plan that I enrolled in, when can I change?

A: Every year you will have an Annual Medicare Enrollment Period during which you can investigate other medical and drug plans and potentially enroll in a different plan. However, during future Medicare Annual Enrollment Period your current medical conditions may limit the plans available to you. You will receive notification from Extend Health of the Annual Medicare Enrollment Period (October 15-December 7), we encourage you to contact us should you have any questions.

Q: Will I be refused coverage due to a pre-existing condition? Will I pay more? Can my policy be cancelled once I am enrolled because of my condition? Can my rate be raised for that reason?

A: If you enroll in a Medigap plan when you first transition from group coverage, and you wish to change to another Medigap in the future, you will go through Medical underwriting. You will not necessarily be denied, but your monthly premiums could be higher. Your policy cannot be canceled once you are enrolled unless you do not pay your premiums and your rate will not be raised for medical reasons. If you wish to enroll in a Medicare Advantage plan, they are always guaranteed issue.

Q: What if I have the option for other coverage (spouse, military) – if I don't enroll with Extend for 2012 can I enroll later?

A: No. You must elect Extend Health for your coverage. You will need to enroll into Medical and Prescription coverage to be eligible for the HRA funding. Please alert the benefit advisor about coverage with VA or Tricare.

Q: Will my premium rates increase every year? If so, by how much?

A: In general, insurance premiums do increase every year. The increase in plan cost year-to-year can vary widely. We advise our enrollees to contact us and compare other plans if you experience rate increases in the 10-15% range. The national average is 3-4%.

Q: Are there plans that will cover me when I travel domestically or internationally?

A: Medigap plans are accepted by every Medicare-participating provider in the U.S., with some emergency benefits worldwide. If you travel frequently or live part of the year out-of-state, these plans may be right for you. A few Medicare Advantage plans also have world wide emergency coverage.

Q: How does Extend Health make its money? Will our services be free next year?

A: On a high level, Extend Health, Inc. is paid just as any agent would be, by the carrier, not your company. Our services are always free to you.

Q: Can I obtain Medical and Rx from one carrier or will I need separate plans for each?

A: Some Medicare Advantage plans have limited provisions for all of these needs. If you enroll in a Medigap plan, you will need to enroll in each option separately. Your Benefit Advisor can help you find the best combination for you.