

# 2020 Pre-Medicare Retiree Healthcare Open Enrollment



## CHANGES ONLY ENROLLMENT

### Submit Enrollment Changes Before November 22

You **MUST** complete and submit the enclosed enrollment form by November 22 if you have any changes to the information on your enrollment form. Enroll if you want to remove yourself or a dependent from coverage.

**If you do not want to make any changes to your enrollment elections, you do not need to return the enrollment form.** Your 2019 elections will roll over to 2020.

This newsletter reviews coverage for retirees and their qualifying dependents who are not yet eligible for Medicare. Generally, you and your qualifying dependents are eligible to continue BorgWarner medical and prescription drug coverage until Medicare is available to you, generally at age 65. Please read this newsletter for an overview of the benefits available and how and when to enroll.

### No Plan Design Changes

There are no changes to your medical benefit plan for 2020.

### No Premium Increase

Your monthly premium contribution amount will remain the same for 2020. The dollar amount of your monthly premium contribution is shown on the 2020 Benefits Enrollment Form included in this packet.

### New Cigna ID Cards

All participants will receive a new Cigna ID card before January 1. Look for your new ID card coming in the mail in late-December.

### Premium Collection

BorgWarner's Retiree Premium Service Center will again administer the collection of health care premiums. Premium options, including Direct Debit Authorization and payment coupons, will be mailed in December.

The amount of your monthly premium contribution is shown on the 2020 Benefits Enrollment Form included in this packet. Payments are due on the first of each month for that month's coverage. If you don't pay by the first of the month, your coverage will be suspended for 30 days; however, your coverage will be retroactively reinstated if your payment is received during the 30-day grace period. If payment is not received by the end of the grace period, your coverage will be cancelled and cannot be reinstated.

## Make the Most of Your Coverage

Be sure to take advantage of the other resources included in your BorgWarner retiree health benefits:

**Web-based decision support tools** offer health and pharmacy information, a symptom checklist, blogs by specialist physicians and a place to store personal medical information.

**One-on-one health care decision support** lets you talk to a nurse who can explain health issues and treatment options.

**Health advocacy support** helps you understand your health needs and get assistance with chronic conditions.

## Other Health Care Coverage Options Available

It may pay to shop for your healthcare. The Affordable Care Act medical plans available through the [healthcare.gov](https://www.healthcare.gov) Marketplace may be the right choice for you and your family.

Before making your 2020 Open Enrollment elections, we suggest that you take a moment to review the options available through the Marketplace. All plans cover essential health benefits, waive pre-existing condition barriers, and include preventive care.

Visit [www.HealthCare.gov](https://www.HealthCare.gov) to research plans and enroll. 2020 Open Enrollment begins in November and runs through December 15.

## Working Spouse Rule

As a reminder... The company requires spouses and eligible dependents of retirees to enroll in available medical coverage offered through another employer. This plan will pay primary and your BorgWarner coverage will pay secondary for members of your family. If your spouse and other eligible dependents do not enroll in other group coverage available to them, your spouse and/or your dependents will not be eligible for BorgWarner's retiree healthcare benefits.

## Dependent Children Rule

The Plan only provides coverage for dependent children until age 19, or age 25 if a full time student. This is different than the Age 26 rule for the active healthcare plan. Proof of student status and tax dependency is required.

## How to Use Your Health Care Benefits Wisely

**Be sure your doctors are in the network.** Because provider networks are always changing, it's a good idea to check with your doctor's office to confirm. You'll get the highest level of coverage with network doctors – and they'll take care of filing your claims for you. Just show your medical ID card. **If you need to go to the hospital,** your in-network doctor will usually refer you to a participating hospital. However, it is a good idea to check with the facility to be sure that you will receive the highest level of coverage.

**In an emergency,** you may not have the time or the ability to choose a network provider or hospital. That's why the plans pay benefits for emergencies as in-network services. Follow-up care is paid in the usual manner, depending on whether or not you select a network provider. In a life-threatening situation—such as a heart attack or serious car accident—use emergency services. For less severe injuries—like broken bones and fevers—call your doctor or go to an urgent care facility.

## Choice Health Fund

This medical option gives you the flexibility and choice to manage your own health care spending. It works like most medical plans—with one very important difference. The Choice Health Fund features a company-paid Health Reimbursement Account (HRA).

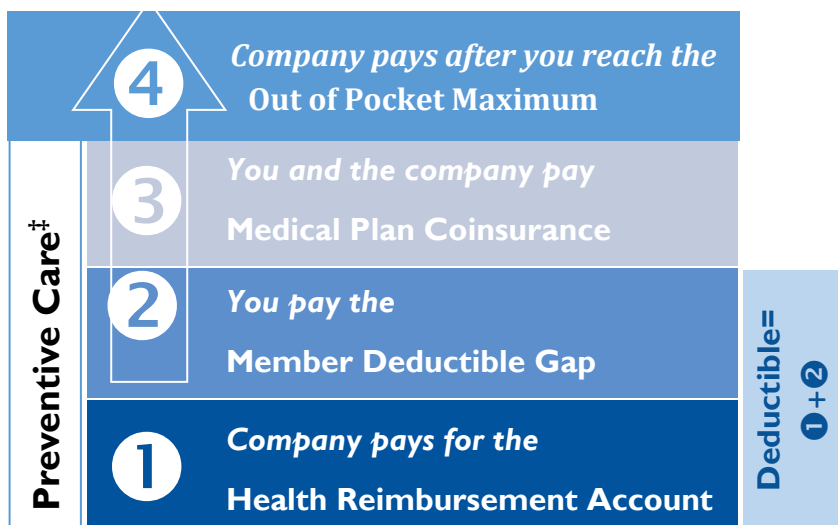
Each year, BorgWarner credits an amount to your HRA account. You determine how your fund dollars are spent – and stretch your fund by seeking the most cost-effective care. This could mean choosing an in-network provider rather than an out-of-network provider, seeking treatment on an out-patient basis instead of in-patient. The wiser your health care choices are, the more credits you keep toward future medical plan costs.

If you don't use all the credit in your HRA during the year, it automatically rolls over to help pay for your expenses next year. It's like a savings account for health care. If you spend all the credits in the HRA, you pay the remaining deductible before plan benefits begin.

### How the Choice Health Fund Works

\* For medical expenses only. Cannot be used for prescription drugs, dental or vision.

† Includes member deductible gap.



- 1** BorgWarner credits a sum to your Health Reimbursement Account each year (\$500 single or \$1,000 family). Use the HRA to pay for your medical expenses, including your deductible.
- 2** Once you spend all of the money in the HRA, you pay the remaining member deductible gap (\$1,000 single or \$2,000 family in-network).
- 3** After you meet your deductible, you and the company pay coinsurance (80% / 20% in-network).
- 4** Once you meet the out-of-pocket maximum (\$3,500 single or \$7,000 family in-network), the plan pays 100% of your eligible medical expenses.

### Contacts

Newsletter information can be found at  
[www.BorgWarner.com/Benefits/Retirees](http://www.BorgWarner.com/Benefits/Retirees)

#### **BorgWarner Retiree Service Center**

1-877-259-5373

3850 Hamlin Road

Auburn Hills, MI 48326

Office Hours:

Monday-Friday, 8:00am—4:00pm

#### **Healthcare Premium Payments**

Retiree Premium Service Center

1-866-201-3995

#### **Cigna Medical & Drug Coverage**

1-800-237-2904

[www.MyCigna.com](http://www.MyCigna.com)

Home Delivery Pharmacy 1-800-835-3784

### Medicare

#### **Retiree Coordinator**

#### **Medicare Plan Assistance**

United Health Care - 1-800-929-2300

#### **Retiree Reimbursement Account Customer Service**

1-877-298-2305

# Highlights of 2020 Medical Coverage

To find out if your doctors and hospitals are in-network, visit [www.mycigna.com](http://www.mycigna.com), call CIGNA at 1-800-244-6224, or visit [www.borgwarner.com/benefits](http://www.borgwarner.com/benefits).

## Important Terms

**Coinsurance:** The percentages you and the company pay toward your medical expenses. For example, 80% / 20% coinsurance means the company pays 80%; you pay 20%.

**Consumer-driven health plan:** Works like a traditional medical plan but encourages participants to take a more active role in health care purchasing decisions by offering health, cost and quality information plus an HRA to help pay the deductible. Our Choice Health Fund is an example.

**Deductible:** Dollar amount you pay before coinsurance begins. Copays and prescription drugs do not count.

**Health Reimbursement Account (HRA):** Company-paid credit to help you pay for your deductible. Only available with the Choice Health Fund.

**Member deductible gap:** The portion of the deductible you pay under the Choice Health Fund.

**Out-of-pocket maximum:** The most you will pay each year for eligible plan expenses above any premium contribution required.

| Per Person / Per Family                                     | In-network   | Out-of-network       |
|---|--|----------------------|
| <b>Deductible</b>   | \$1,500 / \$3,000  | \$3,000 / \$6,000    |
| <b>Company-paid HRA</b>                                     | \$500 / \$1,000  | \$500 / \$1,000      |
| <b>Member Gap</b><br>(Deductible – HRA)                     | \$1,000 / \$2,000  | \$2,500 / \$5,000    |
| <b>Out-of-Pocket Maximum</b><br>(Offset by HRA)             | \$3,500 / \$7,000  | \$6,500 / \$13,000   |
| <b>HRA Rollover Cap</b>                                     | \$3,000 / \$6,000  | \$3,000 / \$6,000    |
| <b>Lifetime Maximum</b>                                     | Unlimited  |                      |
| <b>Coordination of Benefits</b>                             | Maintenance of Benefits – up to the CIGNA allowed amount |                      |
| <b>Office Visit</b>   | 80% after deductible                                     | 60% after deductible |
| <b>Preventive Care</b>                                      | 100%   | 60% after deductible |
| <b>Inpatient Services</b>                                   | 80% after deductible                                     | 60% after deductible |
| <b>Outpatient Services</b>                                  | 80% after deductible                                     | 60% after deductible |
| <b>ER &amp; Urgent Care</b>                                 | 80% after deductible                                     | 80% after deductible |
| <b>Chiropractic Care</b><br>\$500 per calendar year maximum | 80% after deductible                                     | 60% after deductible |
| <b>Mental Health/Substance Abuse</b>                        | 80% after deductible                                     | 60% after deductible |

## Prescription Drug Coverage

When you enroll in a medical plan, you're automatically enrolled in the prescription drug program. Since the same administrator manages both plans, that means you can use your medical ID card for prescriptions too.

The prescription drug program does not have a deductible. Your coverage begins with your first prescription. The coinsurance and copays under the prescription drug program do not count toward your medical deductible or out-of-pocket maximum.

There are two ways to get your prescriptions filled: at a network pharmacy or through mail order. The following table shows how much you pay for each prescription, depending on the type of prescription drug you buy.

# Prescription Drug Coverage

## Retail Network Pharmacy

Use a retail pharmacy any time you need a prescription filled right away. Simply show your medical ID card at a network pharmacy, and pay your portion of the cost. The pharmacist will file your claim for you. Most national pharmacies are in the network.

## 90-Day Refill Options

If you use a maintenance drug—for high blood pressure, for example—you may use certain Cigna 90 Day Now pharmacies and get your entire fill at a participating retail pharmacy. Or, use the convenient mail-order service. Order up to a 90-day supply for one copay, and your drugs are delivered directly to your home with no additional charge for shipping. You can order refills over the phone or online.

### Generic Drugs Save Money

Using generic drugs can save money for everyone. That's why your prescription benefit is designed to be most cost-effective for you when you elect a generic medication.

You always have the option to purchase brand-name prescriptions; however, you will pay more out-of-pocket.

Generic medications are less-expensive copies of brand-name medications. They contain the same active ingredients and have the same quality, strength and purity as the brand-name medications they copy. When your doctor prescribes a medication, always ask if a generic alternative is available.

|   | Retail Pharmacy*<br>30-Day Supply                  | Retail & Home Delivery*<br>90-Day Supply |
|---|--|--|
| <b>Generic</b><br>Chemically equivalent, lower-cost version of a brand-name drug  | \$10   | \$20                                     |
| <b>Preferred Brand</b><br>Lower-cost, yet highly effective brand-name prescription drugs                                  | 30%<br>\$30 Minimum<br>\$60 Maximum                | 30%<br>\$60 Minimum<br>\$120 Maximum     |
| <b>Non-Preferred Brand</b><br>Generally higher cost and no more effective than the generic equivalents                    | 50%<br>\$50 Minimum<br>\$150 Maximum               | 50%<br>\$100 Minimum<br>\$300 Maximum    |
| Specialty Pharmacy*   | Retail (First Fill Only) & Home Delivery           |  |
| <b>Specialty Rx Generic</b>   | \$10   |  |
| <b>Specialty Rx Preferred Brand:</b><br>Typically used to treat arthritis and other conditions (does not include insulin) | 30%<br>\$30 Minimum—\$60 Maximum<br>30-Day Supply  |  |
| <b>Specialty Non-Preferred Brand:</b><br>Generally higher cost injectable drugs   | 50%<br>\$50 Minimum—\$150 Maximum<br>30-Day Supply |  |

\*Certain medications require prior authorization or step-therapy. See Cigna Summary of Benefits for more details at [borgwarner.com/benefits/retirees](http://borgwarner.com/benefits/retirees)

## Specialty Drugs

Injectable drugs used to treat conditions like rheumatoid arthritis, cancer, multiple sclerosis or anemia are covered under our prescription drug program. Your first 30-day supply can be purchased at a retail pharmacy. Subsequent refills must be ordered through the specialty pharmacy mail-order service and will be dispensed in 30-day intervals. In addition, you can take advantage of the specialty pharmacy patient advocate service. You may contact them for guidance and support, as well as self-care information and helpful educational materials about your condition. Call 1-800-237-2904 and ask for the pharmacy area.



# Enrolling in Medicare

About three months before your 65<sup>th</sup> birthday, you'll receive a comprehensive package of information about your Medicare options. At that time, you'll have the opportunity to work with the Retiree Health Plan Coordinator to explore the many plans that will be available to you.

Medicare eligibility will begin the first day of the month that includes your 65<sup>th</sup> birthday. Your BorgWarner pre-Medicare coverage will end the last day of the month prior to the month in which you become Medicare eligible.

Because there are penalties for enrolling late in Medicare – and these penalties can cause a delay in coverage or require you to pay higher premiums for the rest of your life – you'll want to be ready to make your selections before your 65<sup>th</sup> birthday.

## Looking Ahead

As in past years, when a retiree or eligible dependent of a retiree becomes eligible for Medicare, Medicare becomes the primary coverage for that individual. This is coverage that was earned through the FICA contributions you and BorgWarner made every year during your employment.

BorgWarner no longer provides coverage to supplement Medicare. Instead, the company will provide funds to help retirees pay for supplemental coverage now available from Medicare and private insurance companies.

The decision to change the way benefits are provided to individuals who are Medicare-eligible responds to changes in legislation and the marketplace that now provide more and better options for coverage. You will be eligible for either the monthly tax-free Retiree Reimbursement Account (RRA) credit **or** the Cash Balance Fund that BorgWarner provides depending on the date you retired.

In addition, BorgWarner also provides United Healthcare (UHC) as a Retiree Health Plan Coordinator to help you choose and enroll in Medicare supplement coverage. To contact your coordinator, call 1-800-929-2300 or visit [www.AARPMedicaresolutions.com](http://www.AARPMedicaresolutions.com).

### Timetable for Medicare

|                                     |   |
|-------------------------------------|---|
| <b>Now until age 65*</b>            | <ul style="list-style-type: none"><li>• Talk with others about their Medicare decisions.</li><li>• Contact the Retiree Health Plan Coordinator with Medicare questions.</li><li>• Keep up-to-date on changes in the marketplace.</li></ul>  |
| <b>3 months before you turn 65*</b> | <ul style="list-style-type: none"><li>• Receive your Medicare information packet from BorgWarner's Retiree Health Plan Coordinator (currently UnitedHealthcare).</li><li>• <b>Apply for Medicare Parts A &amp; B</b> – If you delay signing up for Part B, you will pay more for your required Part B premiums, based on the time period you were eligible for Medicare coverage and did not pay Part B premiums.</li><li>• Talk with the Retiree Health Plan Coordinator for assistance with determining the type of medical and prescription drug coverage that is best for you.</li><li>• <b>Enroll in the Medicare medical and prescription drug health plan coverage</b> you choose.</li></ul> |
| <b>Age 65*</b>                      | <ul style="list-style-type: none"><li>• BorgWarner medical and prescription drug coverage ends; Medicare coverage begins.</li><li>• BorgWarner monthly healthcare premium payment stops.</li></ul>  |

**\*Or until approved for Medicare due to disability**

Required notices concerning your rights, such as Creditable Coverage for prescriptions, Women's Health Rights, and the privacy of your health information can be found at [www.borgwarner.com/Benefits/Retirees](http://www.borgwarner.com/Benefits/Retirees). Or you may request a copy by calling 877-259-5373.

This brochure provides a brief description of the health care benefits offered to BorgWarner pre-Medicare retirees and eligible dependents for 2020. For more details about your benefits see the Summary Plan Descriptions available from your Retiree Service Center and at [www.borgwarner.com/Benefits/Retirees](http://www.borgwarner.com/Benefits/Retirees). This brochure and materials that accompany it are not intended to include all program details. If there is a discrepancy between this brochure and the Summary Plan Descriptions or official plan documents for the program, the Summary Plan Descriptions and plan documents will govern. **We expect this retiree health program will benefit our retirees for a long time into the future, but we reserve the right to change or end the program if it becomes necessary or appropriate for business, legal or other reasons determined by BorgWarner.**