



2008 Retiree Health Care News

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❖ What's new effective January 1, 2008



▶ Prescription Drug Coverage, Benefits, and Administration

- **The annual prescription drug deductible is increasing by \$10/person, to \$275/person.** The new amount aligns with the Medicare Part D deductible set forth by the federal government. This deductible is indexed to increase each year. The annual prescription drug deductible applies towards the annual prescription stop loss.

Anyone who turns age 65 during 2008 will need to meet a separate \$275/person prescription deductible once they become Medicare-eligible (usually on the first of the month when turning age 65). Medicare has clarified that the Plan must restart the deductible and cannot combine pre-65 deductible amounts with the Medicare Part D deductible.

- **The annual prescription stop loss is increasing from \$1,500 to \$2,500 per individual.** Due to the rising cost of prescription drugs it is necessary to update the annual stop loss while still providing retirees with a personal level of protection if prescription costs are unusually high for the year. This is the first increase since the stop loss was introduced in 2002.
- **A \$100 maximum copay on individual prescriptions is being introduced.** Starting on January 1, 2008, the maximum copay charged on individual prescriptions will be \$100. This limits the amount you pay for very high cost prescriptions even if you have not yet met the \$2,500 prescription stop loss for the year.
- **The Plan will no longer pay for the cost of brand-name drugs with generic equivalents.** Starting on January 1, 2008, if you buy a brand-name drug that has a generic equivalent, you will pay the difference in cost between the generic and the brand-name drug PLUS the normal coinsurance for the remaining amount. (If you buy a brand-name drug that does not have a generic equivalent available, you will only pay the coinsurance.) Any additional cost for the brand-name drug does not apply towards the annual prescription stop loss or to the \$100 maximum copay. See pages 5-6 for more details.
- **Medicare Part B drugs will no longer be covered through the prescription drug benefit (Medco).** Starting on January 1, 2008, Medicare-eligible retirees must claim reimbursement for Part B drugs through their medical benefit (Aetna). See page 7 for more information related to this change.
- **Prescription vitamins and minerals will no longer be covered.** Vitamin and mineral products (such as iron tablets) are generally available over-the-counter without a prescription. Starting on January 1, 2008, they will no longer be covered.

- ▶ **Medical premiums have been updated for 2008 (no change in dental premiums for most retirees).**

❖ 2008 Dental Premiums and Options

No change in dental premiums.

Based on the dental claims experience in 2007, dental premiums will remain the same for 2008*.

Reminder: If you elect to switch from the dental *Standard Option* to the *Limited Option* (which covers only preventive and diagnostic care, not restorative services), you cannot get back into the *Standard Option* at a later date. Call DuPont Connection at 1-800-775-5955 if you wish to switch to the *Limited Option*.

Monthly Dental Premiums*			
All Retirees			
Coverage Levels	Standard Comprehensive Coverage		Limited Coverage
	2007	2008	2008
You Only	\$16.50	\$16.50	\$0.00
You + Spouse	\$32.00	\$32.00	\$0.00
You + Child(ren)	\$30.25	\$30.25	\$0.00
You + Family	\$46.00	\$46.00	\$0.00

*The prices shown above apply to retirees receiving an unreduced DuPont pension. Individuals receiving a reduced pension will pay higher amounts and experience an increase in premiums in 2008.

Dental Plan Benefits – No Change for 2008

The DuPont Dental Assistance Plan provides benefits that are significantly greater than the retiree dental benefits offered by most other companies. Here is an outline of the benefits available to you and your covered dependents:

Retiree Dental Plan Options	Standard Comprehensive Coverage	Limited Preventive & Diagnostic Coverage
Preventive & Diagnostic Services <ul style="list-style-type: none"> • 2 cleanings & exams/year • Dental x-rays 	100% R&C	100% R&C
Restorative Care <ul style="list-style-type: none"> • Bridges, crowns and dentures • Fillings • Root canals • Extractions and oral surgery • Other covered dental services 	Approximately 50% of the average charge	None
Orthodontia (child)	\$1,200/lifetime	None
Annual Maximum (per individual)	\$1,100	\$500

MetLife, the claims administrator, offers a network of preferred dentists. You have the option of receiving care from any dentist and receiving the benefits shown in the chart. However, MetLife preferred dentists may save you money since they agree to accept the lower of the MetLife negotiated rate or the reasonable and customary (R&C) rate. They won't bill you for any amounts over the allowed rate. For a listing of MetLife preferred dentists in your area, call MetLife at 1-888-883-0052 or visit the web site at www.metlife.com/mybenefits. If you use a non-MetLife preferred dentist, you will be responsible for any charges above R&C.

❖ 2008 Medical Premiums and Options

- ▶ **Pre-Medicare retirees' medical premiums are increasing to reflect rising medical plan costs.** DuPont continues to pay 50% of the projected cost increases for 2008.

Reminder: If you are covering a Medicare-eligible spouse, he/she can only be covered in the DuPont medical plan if he/she is not enrolled in a public Medicare Part D plan. The DuPont prescription drug coverage qualifies as a Medicare Part D plan and Medicare does not permit an individual to be enrolled in two Medicare Part D plans at the same time.

Monthly Medical Premiums*		
Pre-Medicare Retirees and Survivors		
Coverage Levels	2007	2008
You Only	\$147.00	\$165.50
You + Spouse	\$294.00	\$331.00
You + Spouse (1 Medicare)	\$230.11	\$245.81
You + Child(ren)	\$200.00	\$221.25
You + Family	\$351.25	\$391.00
You + Family (1 Medicare)	\$249.31	\$264.77

* The prices shown above apply to retirees receiving an unreduced DuPont pension. Individuals receiving a reduced pension will pay higher amounts.

- ▶ **Medicare-eligible retirees with Medical Only and Medical Plus Prescription coverage**

Medical Only option:

There is no premium increase for 2008 unless you cover a dependent that is not Medicare-eligible.

Medical Plus

Prescription option:

There is a decrease in premiums for 2008 for most coverage levels.

An increase of approximately 6% is required if you cover a

dependent who is not eligible for Medicare. For each covered Medicare-eligible individual, \$40.60 of the *Medical Plus Prescription* premium will go towards the Medicare D coverage in 2008 (a decrease from 2007). This amount was reviewed and approved by Medicare. The remainder of the premium goes toward your share of medical and prescription benefits that exceed the standard Medicare Part D benefits.

Monthly Medical Premiums - Medicare-Eligible Retiree/Survivor				
Coverage Levels	Medical Only		Medical Plus Prescription	
	2007	2008	2007	2008
You Only	\$5.00	\$5.00	\$83.11	\$80.31
You + Spouse (2 Medicare)	\$10.00	\$10.00	\$166.22	\$160.63
You + Spouse (1 Medicare)	\$120.27	\$138.75	\$230.11	\$245.81
You + Child(ren)	\$19.29	\$20.00	\$100.51	\$97.86
You + Family (2 Medicare)	\$25.77	\$26.25	\$185.41	\$179.58
You + Family (1 Medicare)	\$136.04	\$155.00	\$249.31	\$264.77

The prices shown above apply to retirees receiving an unreduced DuPont pension. Individuals receiving a reduced pension will pay higher amounts.

❖ Medical Cost-Sharing Policy

DuPont continues to pay a substantial portion of the medical expenses for retirees and their covered dependents. As announced in 2002, the Company has set limits on the amount it will pay toward retiree medical plan costs. **The limits have not yet been reached.** Therefore, in keeping with the DuPont medical plan cost-sharing policy, projected annual medical plan cost increases for 2008 have been equally divided between the Company and retirees.

DuPont Cost-Sharing Limits per Retiree per Year		
Pre-Medicare Retirees	Medicare-Eligible Retirees	
Comprehensive	Medical	Prescription
\$9,000	\$1,600	\$1,000

❖ Information About Your Medical Plan Benefits

- ▶ **Managed Care POS for pre-Medicare retirees and dependents continues to require the use of a named Primary Care Physician as your first source of care.** Referrals are needed before seeing a specialist. For active employees, the plan no longer requires referrals. Additional study is necessary to determine if a similar change can be implemented for retirees in future years.

2008 Medical Plan Benefits at a Glance	Managed Care POS		Indemnity
	for <i>Pre-Medicare Retirees</i>		
	In-Network	Out-of-Network	Secondary coverage to Medicare
Deductible	N/A	\$500/individual; \$1,000/family	\$500/individual; \$1,000/family
Covered Preventive Care	100% R&C* after \$20 office visit copay	100% R&C* for tests/ immunizations; 70% R&C* after deductible for associated office visit	100% R&C* for tests/immunizations; 80% R&C* after deductible for associated office visit
Office Visits	\$20 copay	70% R&C* after deductible	80% R&C* after deductible
Outpatient lab, X-ray and other services	90%	70% R&C* after deductible	80% R&C* after deductible
Inpatient Care	90%	70% R&C* after deductible	80% R&C* after deductible
Medicare Part B Prescription Drugs	N/A	N/A	80% after deductible
Stop Loss	\$1,600/individual; \$3,200/family	N/A	\$1,600/individual; \$3,200/family
2008 Prescription Drug Program	Managed Care POS		Indemnity <i>Medical Plus Prescription</i>
Deductible	\$275/individual		\$275/individual
Mail: (90 Days) Generic Brand ¹	25% coinsurance, \$16 min, \$100 max 25% coinsurance, \$45 min, \$100 max		25% coinsurance, \$16 min, \$100 max 25% coinsurance, \$45 min, \$100 max
Retail: Non-maintenance Rx (30 days) Generic Brand ¹	30% coinsurance, \$7 min, \$100 max 30% coinsurance, \$20 min, \$100 max		30% coinsurance, \$7 min, \$100 max 30% coinsurance, \$20 min, \$100 max
Retail²: Maintenance Rx (30 days) Generic Brand ¹	40% coinsurance, \$40 minimum 40% coinsurance, \$40 minimum		40% coinsurance, \$40 minimum 40% coinsurance, \$40 minimum
Prescription Stop Loss	\$2,500/individual for medications purchased in network ³		\$2,500/individual for medications purchased in network ³

* Reasonable & Customary (R&C)

For information on mental health benefits, refer to the Summary Plan Description available on the retiree benefits web site library at www.retiree.dupont.com.

¹ If you choose a brand-name drug for which a generic equivalent is available, you will be responsible for paying the difference in the costs between the two drugs along with the normal coinsurance. The \$100 maximum copay will not apply.

² Applies after you have reached the equivalent of a 90-day supply or 3 fills of a maintenance medication.

³ Excludes Retail Maintenance Rx.

❖ Benefits for Brand-Name Drugs with Generic Equivalents

- ▶ Starting on January 1, 2008, if you buy a brand-name drug when there is a generic equivalent medication to the brand-name drug available (even if your physician has written “dispense as written” or “no substitution allowed”), then you are responsible for payment of the difference between the cost of the two drugs plus the copay. If you are unable to take the generic equivalent medication due to an allergy, etc., an appeal to Medco Health Solutions would be required. The difference between the brand and generic equivalent medication price does not apply toward your annual out-of-pocket stop-loss or the \$100 per fill maximum.

- ▶ **What is a generic equivalent medication?**

Generic equivalent drugs have the exact same active ingredients, in the same strength, as their brand-name counterparts, and they must meet the same strict standards that the U.S. Food and Drug Administration requires of brand-name drugs. You probably already use lower-cost generics, such as acetaminophen, which is the generic name for *Tylenol*[®], and ibuprofen, which is the generic name for *Motrin*[®]. So, just as with acetaminophen or ibuprofen, prescription generic equivalent drugs give you the same medication for a lower cost.

Some brand-name medications have several lower cost alternatives available that could save you money. However, the alternatives may not contain the exact same active ingredients as the brand-name drug. These drugs are not considered equivalent medications and you will not be required to pay the difference in price between the brand-name medication and the lower cost alternatives.

- ▶ **Find Out if Your Brand-Name Drug Has a Generic Equivalent**

To find out if the brand-name medication that you are taking has a generic equivalent, you can contact Medco at 1-800-572-8695 or go online at www.medco.com. After you register on the Medco website:

- click on “Save on Prescriptions/MyRxChoices”
- select your medication from the list (or enter a medication name), and
- click “Go.”

A list of generic equivalent medications (and potential savings) will be displayed.

- ▶ **Taking generic equivalent medications**

You are encouraged to talk with your doctor and ask whether generic equivalents are right for you. If you are filling your prescription through Medco by Mail, the Medco pharmacists will automatically dispense the generic equivalent unless your physician specifically states not to do so. At retail pharmacies, you should always ask the pharmacist for the generic equivalent when filling the prescription.

If your doctor believes that a generic equivalent is not appropriate for you, he or she may call Medco toll-free at 1-800-753-2851, 8:00 a.m. to 9:00 p.m. Eastern Time, Monday to Friday, to initiate the coverage review process. If approved, your cost for the medication will be calculated based on the cost of the brand medication subject to the appropriate coinsurance. This special approval is valid for a maximum period of 12 months, after which your doctor will be required to initiate the coverage review process again, if necessary.

▶ Prescription Drug Mail-Order Examples:

Mail-Order Example #1 – No Generic Equivalent Available	
The mail-order coinsurance for a single-source brand-name drug is 25% of the drug cost (subject to coinsurance minimums and \$100 maximum). Higher coinsurances apply at retail pharmacies (30% and 40% for maintenance drugs).	
Generic Equivalent	Brand-Name Drug
N/A	Total Cost of Drug: \$394.00 Your 25% Coinsurance: <u>98.50</u> Plan Cost: \$295.50

Mail-Order Example #2 – With Generic Equivalent Available	
Generic Equivalent	Brand-Name Drug
Total Cost of Drug: \$169	Total Cost of Drug: \$394
Your 25% Coinsurance: \$42	Brand-Generic Cost: \$225 (\$394 - \$169)
Your Total Cost: \$42	Your Generic Coinsurance: \$42 (25% x \$169)
Plan Cost: \$127	Your Total Cost: \$267
	Plan Cost: \$127
<ul style="list-style-type: none"> ▶ By using the generic equivalent, you save \$225. ▶ The Plan pays the same amount whether you use generic or brand. ▶ Many brand-name drugs have a generic equivalent. 	

▶ Common Brand-Name Drugs and Generic Equivalents:

Brand-Name Drug	Generic Equivalent	Brand-Generic Cost Difference*
Name	Name	
Zocor	Simvastatin	\$225.36
Wellbutrin XL	Bupropion HCL	\$221.30
Norvasc	Amlodipine Besylate	\$24.37
Prilosec	Omeprazole	\$100.24
Zoloft	Sertraline HCL	\$153.19
Toprol XL	Metoprolol Succinate	\$9.41
Ambien	Zolpidem Tartrate	\$229.84
Duragesic	Fentanyl	\$199.68
Plendil	Felodipine	\$22.87
Prozac	Fluoxetine HCL	\$576.88

*Based on 90-day supply by mail as of 8/31/2007. Actual drug costs and copays may vary based on quantity and/or strength.

❖ Medicare Part B Prescription Drug Benefits

Under the DuPont Medical Plan in 2008, Medicare Part B prescriptions will be processed through the medical benefit portion of the Plan with Medicare as the PRIMARY payor and DuPont/Aetna as the SECONDARY payor. Medicare considers these Part B medications as medical in nature which is why the DuPont medical plan will process them as medical claims rather than prescription claims.

Medicare Part B drugs include:

- diabetic supplies (test strips, meters);
- prescription drugs that are administered at your doctor's office;
- drugs that help to prevent your body from rejecting an organ after transplant (as long as the transplant was paid for by Medicare);
- certain anti-cancer drugs that are taken by mouth;
- certain drugs used in nebulizers (A nebulizer is a small device that turns liquid medicine into a vapor so that it is easily inhaled into the lungs.); and
- certain drugs used in external infusion pumps (An external infusion pump is a small device that gradually delivers fluid or medication through a vein.).

Starting on January 1, 2008, you should go to a retail pharmacy that is a Medicare approved supplier to fill your prescription and present your Medicare Part B card (not to be confused with the Medco ID card) to process the prescription. If you decide to go to a retail pharmacy that is not a Medicare approved supplier, Medicare will not pay for the prescription. You should still present your Medicare Part B card to process the prescription.

Your Part B prescription costs will be applied to your **medical** stop loss (\$1,600/ individual: \$3,200/ family) and will **not** apply to your **prescription** stop loss (\$2,500/individual)

To learn more about Medicare Part B Drugs you can call Medicare Customer Service at 1-800-Medicare (1-800-633-4227). You can also find out what Medicare Part B drugs are covered, by visiting the Medicare Website at www.Medicare.gov and follow the path listed below:

- Click on “*Find out What Medicare Covers*”.
- Select appropriate State and click on “*Prescription Drugs*” as the coverage topic.
- Click on “*View Results*”.

Additionally, you can visit the DuPont Retiree website at www.retiree.dupont.com and review the questions and answers specific to Medicare Part B Drugs.

❖ Medicare Part D Prescription Drug Benefits

▶ What Makes the DuPont Prescription Drug Plan Unique?

The DuPont medical plan's prescription drug coverage qualifies as an “enhanced” Medicare Part D plan. Enhanced plans exceed the basic Medicare coverage requirements. For example, the DuPont plan includes:

- *an open formulary* (list of covered drugs) that does not limit you to two or three specified medications for a particular condition; and

- *benefits that fill in the basic Medicare Part D coverage gaps.* DuPont prescription benefits don't stop once you reach a set level of drug expense. Rather, the plan provides 100% benefits for most medications once you pay \$2,500 in deductible and prescription copayments during the year. The \$2,500 stop loss helps protect you financially from high-cost prescription expenses on an annual basis.

▶ Review the Medicare Part D Options Available to You

- **Compare Medicare Part D Rx Plans.** A variety of Medicare Part D prescription drug plans are available for you to consider. Premiums, covered medications, deductible amounts, copayments, and network pharmacies vary from plan to plan. So, you can choose the plan with the features that best meet your personal needs. To compare Medicare Part D plans available in your area, go online to www.medicare.gov or call Medicare at 1-800-Medicare. Medicare reviews, approves, and monitors every Part D plan to ensure participants receive coverage and benefits that meet or exceed Medicare standards.
- **Know the Impact on DuPont Retiree Coverage.** If you decrease your coverage from *Medical Plus Prescription* to *Medical Only*, you cannot return to *Medical Plus Prescription* at a later date. The same rule applies whether you're stopping coverage for yourself or dropping coverage for one of your dependents.
- **If you choose to cancel your DuPont Medicare Part D coverage, you must call DuPont Connection at 1-800-775-5955 between November 15 and December 31, 2007.** You have the option to receive *Medical Only* or *No Coverage* through DuPont. Your change will be effective January 1, 2008. A decision to decline DuPont prescription drug coverage is considered permanent and irrevocable.
- **If you or your spouse (or other covered dependent) enroll in another Medicare Part D plan,** call DuPont Connection at 1-800-775-5955 to report the change. If your covered dependent enrolls in another Medicare Part D plan while you have *Medical Plus Prescription* coverage, your dependent will be dropped from your coverage. Medicare prohibits the DuPont plan from providing Part D coverage to individuals who do not meet the eligibility requirements.

❖ Declination of Coverage

What happens if you elect to stop your DuPont medical and/or dental coverage?

A decision to stop participating in DuPont medical and/or dental coverage is considered permanent and irrevocable with a few exceptions (outlined below). In addition, if you decrease your coverage (going from the dental *Standard* Option to the *Limited* Option or from *Medical Plus Prescription* to *Medical Only*), you cannot return to the higher level of coverage at a later date. The same rules apply whether you're stopping coverage for yourself or dropping coverage for one of your dependents. Note that, due to the broad availability of Medicare Advantage and Medicare Supplement plans, the plan no longer allows retirees to re-enroll in DuPont coverage when leaving a Medicare Advantage plan to return to traditional Medicare.

Exception: If you have coverage available through another employer medical and/or dental plan, you may elect to decline DuPont medical and/or dental coverage and take the plan(s) offered by the other employer. Later, if you lose eligibility for the other employer plan you may re-enroll in DuPont coverage. You must call DuPont Connection within 60 days and provide proof of loss of eligibility for yourself and any dependents that you wish to re-enroll. Loss of other group coverage due to non-payment of premiums is not considered a loss of eligibility.



Retirees can only cover their spouse/partner at the time of retirement. Starting on January 1, 2008, retirees will **not** be able to add a **new** spouse to their medical or dental coverage. The spouse at the time of retirement will continue to be eligible for coverage provided that person continues to be a spouse and there has been no break in coverage. Existing spouses of retirees not currently covered can be added in the future if the retiree provides proof that the marriage occurred before January 1, 2008 and that the spouse lost eligibility for other group coverage within 60 days of the request.

❖ Contact Information

Medicare

www.medicare.gov

1-800-MEDICARE (1-800-633-4227)

TTY/TDD users should call 1-877-486-2048

- Compare plans available in your area.
- Get answers to general questions about Medicare.
- Learn about resources in your area to help explain Medicare Part D.
- Find more information on federal financial assistance available to individuals who qualify.

Medco

www.medco.com

1-800-572-8695

- Get answers to questions about the DuPont prescription drug coverage.
- Find a network pharmacy.
- Get help filling your prescriptions.
- Find out current prices for your medications.

DuPont Retiree Website

www.retiree.dupont.com

- Access and print copies of newsletters, Summary Plan Descriptions, Q&A's and other benefit information.
- Get the latest news regarding your DuPont retiree benefit plans.
- Use links to access other relevant benefit websites.

DuPont Connection

www.resources.hewitt.com/dupont

1-800-775-5955

- Request changes to your medical and/or dental plan options.
- Get answers to questions about your DuPont benefit premiums.
- Remove any dependents you no longer wish to cover.
- Change your life insurance beneficiary.

Additional Information

Although DuPont expects to continue the medical and dental benefit plans, the Company necessarily reserves the right to amend, modify or discontinue the plans at its discretion at any time. Any inconsistency between the terms of this document and plan documents will be governed by the plan documents or insurance contracts.

DuPont Connection Authorization

Note that whenever you use the DuPont Connection to initiate a transaction, you are authorizing the Plan Administrator to execute each transaction as if you had given written, signed authorization to do so. You should refer to your Summary Plan Description for a more detailed explanation of Plan provisions and procedures.