

Medicare – Eligible Retirees FAQs

Frequently Asked Questions (FAQs) are Listed Below by the Following Subjects:

- **Health Care Changes for 2008**
 - **Understanding Medicare**
- **Health Reimbursement Arrangement (HRA)**
 - **AARP Health Care Options**
 - **AARP MedicareRx**
- **Life Insurance Changes for 2008**
- **Pension Death Changes for 2008**
 - **General Questions**

Health Care Changes for 2008

Q1. What are the changes for the Medicare-Eligible Cincinnati Bell Retirees and Surviving Spouses (*excluding MEP, HCP I and II retirees and surviving spouses*) for 2008?

A1.Your health care changes for 2008 include the following:

Your current Cincinnati Bell medical and prescription drug coverage will end on December 31, 2007.

- You will be offered the choice of up to 12 AARP Health Care Options (which are Medicare Supplement Plans) instead of the Cincinnati Bell Plans for your medical coverage effective January 1, 2008.
- You will be offered AARP MedicareRx Plans for your prescription drug coverage effective January 1, 2008—AARP MedicareRx Plan and MedicareRx Plan-Enhanced. Kit – the 2008 Endorsed kits will have info on various plans – Saver, Preferred (Basic), and Enhanced.
- Each month, Cincinnati Bell will set aside tax-free money in a Health Reimbursement Arrangement (HRA) for you to use as you choose to pay for:
 1. Medicare Part B premiums
 2. An AARP Medicare Supplement plan
 3. AARP MedicareRx Plan (not applicable to the AARP MedicareRx Plan-Enhanced)

4. Your out-of-pocket costs for deductibles, copays or coinsurance for the cost of health care services and supplies

The amount set aside in your HRA will be \$200 per month if you elect *Retiree only coverage* and \$400 per month if you elect *Retiree plus one or more dependents*. **Note: Surviving Spouses do not receive this monthly allotment and will be responsible for the full premiums applicable to the plans selected.**

Q2. How does the Cincinnati Bell POS 250 Plan work today so I can compare to what is offered for 2008?

A2. The Cincinnati Bell POS 250 Plan supplements your Medicare coverage. Some of the key provisions in 2007 include:

- Deductible (individual \$330/ family \$660)
- Coinsurance: CBI pays 90% and you pay 10%
- Your out-of-pocket Rx cost for a 30-day supply ranges from \$10 for generics to \$120 for non-formulary brand name drugs
- Your monthly premium in 2007 is:

	Retiree	Retiree + Spouse
Hourly	\$36	\$60
RBOP	\$38	\$96

Q3. What will happen to my quarterly Medicare Plan B reimbursement?

A3. Effective January 1, 2008 the quarterly Medicare Part B reimbursement that has been electronically deposited into your bank account will cease. Instead, you may choose to reimburse yourself for Part B premiums from the HRA. Under the HRA, Cincinnati Bell will set aside tax-free money each month (\$200 for individual retiree coverage; \$400 for a couple or family) in a Health Reimbursement Arrangement (HRA). A final Medicare B deposit in January 2008 will reflect the reimbursement for the fourth quarter of 2007.

Q4. What if I am enrolled in the Cincinnati Bell POS 250 Plan for 2007 and I want to get as close to that same level of out-of-pocket costs for 2008?

A4. At this time, you should already be enrolled in Medicare Parts A and B. You may want to consider enrolling in both the AARP Medicare Supplement "Plan L" and the AARP MedicareRx Plan-Enhanced for 2008.

Q5. What if I am over age 65 (Medicare eligible) and my spouse is under age 65 (not eligible for Medicare)?

A5. Retirees who have spouses who are under age 65 (not Medicare eligible) may choose one of the CBI plans for his or her spouse -- until the spouse becomes Medicare eligible. It is also important for you to know that the pre-65 plan options are also changing for 2008. Information will be available about the pre-65 plans beginning in September. Once your spouse reaches age 65, he/she will no longer be eligible for the

Cincinnati Bell Plan but may be eligible to participate in a Medicare Supplement Plan offered through AARP Health Care Options.

Q6. Are there any dental changes for 2008?

A6. Cincinnati Bell is not making any changes to the dental plan coverage or any premiums associated with that coverage for 2008.

Understanding Medicare

Q7. What is Medicare?

A7. Medicare is the federal government's principal health care insurance program for people 65 years of age and older. There are several Parts to Medicare: Part A covers hospital and skilled nursing facility charges; Part B covers outpatient services, such as physician office visits and lab tests; Medicare Part D covers outpatient prescription drugs.

Q8. What is Medicare Part A?

A8. Any person who has reached age 65 **and** is entitled to Social Security benefits is eligible for Medicare Part A without having to pay premiums. Medicare Part A is often referred to as "Original Medicare". Medicare Part A covers inpatient hospital expenses and has a per hospitalization deductible. You can find more information on Medicare Part A if you log on to www.Medicare.gov .

Q9. What is Medicare Part B?

A9. Medicare Part B covers medical expenses which include doctor's office visits and outpatient expenses. Eligible individuals include those who are age 65 and over and certain disabled individuals who are under age 65*. You must enroll and agree to pay the monthly Medicare Part B premium to be covered by Part B. The Medicare Part B monthly premium is adjusted annually. Medicare Part B typically pays 80% of covered expenses. You pay the remaining 20% coinsurance for Medicare Part B covered charges after satisfying an annual deductible.

*If you are Medicare-eligible but have not yet attained age 65, you will be offered the Cincinnati Bell plans for 2008. You will not be covered by one of the Medicare Supplement Plans.

Q10. What is a Medicare Supplement Plan?

A10. A Medicare Supplement Plan is often referred to as a "Medigap" plan. It is designed to help you pay for some of the medical expenses that Medicare does not pay in full such as:

- Medicare Part A and Medicare Part B deductibles
- Medicare Part B coinsurance

The health care plan you have with Cincinnati Bell for 2007 acts a lot like a Medicare Supplement Plan because it pays after Medicare and provides enhanced benefits.

Medicare Supplement Plans are available through private insurance carriers. Medicare Supplement Plans are Plans “A-L” in most states. All companies that offer these individual Medicare Supplement plans must provide exactly the same coverage for each plan. For example, if a carrier offers a plan called Medicare Supplement “Plan L”, the benefits within that plan are identical to the benefits offered in another carrier’s Medicare Supplement “Plan L”.

Q11. What is Medicare Part D?

A11. Medicare Part D is the Medicare benefit that offers outpatient prescription drug coverage to anyone eligible for or enrolled in Medicare Part A or Medicare Part B. Individuals in each state have at least two Medicare drug plans to choose from. All plans must meet government requirements, but there are differences that you will want to consider. Each drug plan has different

- Monthly premiums
- Deductibles
- Formularies (lists of covered drugs)
- Copays
- Limitations on drug purchases
- Pharmacy networks

You should consider what prescriptions you are taking now and find out how they are covered in each of the available Part D plans. You must enroll between November 15th and December 31st. Once you make your selection, you are not permitted to change until the next annual enrollment period unless you meet the criteria for specific changes allowed by Medicare. (For more information, see FAQs under *AARP MedicareRx* later in this document.)

Q12. Will I have a separate ID card for my Part D Plan?

A12. Yes.

Q13. Will I have to pay a penalty if I did not enroll in Medicare Part D when I was first eligible for Medicare?

A13. You will not pay a penalty to enroll in Medicare Part D if you have been covered by a Cincinnati Bell Plan and can provide a “Notice of Creditable Coverage for 2007” when you apply. A “Notice of Creditable Coverage” was included last year with your 2007 benefit information. For your convenience, Cincinnati Bell will send you another one with additional information in October.

Health Reimbursement Arrangement (HRA) *(HRA not applicable to a Surviving Spouse)*

Q14. What is an HRA?

A14. A Health Reimbursement Arrangement (HRA) is an arrangement where Company money is used to reimburse you for eligible health care expenses – tax-free. No participant contributions can be made to an HRA. Any dollars that you do not use during the year roll over to the next year in addition to any money the Company sets aside for you in that next year.

Q15. Who administers the HRA?

A15. ProcessWorks, a United Health Group company, administers the Health Reimbursement Arrangement (HRA). You will receive information later in the fall about how to contact ProcessWorks if and when you need to do so.

Q16. What is the monthly allowance that will available for me in 2008? Will this amount be increased each year?

A16. The monthly HRA allowance will be:

- \$200 per month if you elect Retiree only coverage
- \$400 per month if you elect Retiree plus one or more dependents

The monthly HRA allowance is not available to a surviving spouse. Surviving spouses are responsible for 100% of the plan premiums no different than today.

The amount of the monthly allowance has been fixed for the foreseeable future.

Q17. What happens to my HRA balance at year-end?

A17. At the end of the year, if you have remaining funds in your HRA, your remaining balance may be rolled over and added to next year's HRA.

Q18. Does the HRA pay interest?

A18. No. HRAs are not interest-bearing accounts.

Q19. Is the money in the HRA taxable when you use it?

A19. No. The money remains tax advantaged, because you use your HRA for eligible health care expenses.

Q20. Can I use my HRA to pay for my out-of-pocket drug costs under the Part D plan?

A20. If you select the AARP MedicareRx Saver or Preferred Plans, you may use your HRA dollars to pay for drug costs and premiums. If you select the AARP MedicareRx Plan-Enhanced prescription drug option, you cannot use your HRA to pay the premium. However, you may use your HRA to pay for out-of-pocket drug costs, such as copays under the MedicareRx Plan-Enhanced.

Q21. Where can I find a complete list of HRA eligible health care expenses?

A21. Go online to www.irs.gov (keyword: Publication 502), or call the IRS at 1-800-829-3676.

Q22. What happens to my HRA dollars if I select no medical coverage?

A22. That money is available to use for any eligible health care expense as defined by the IRS. For a complete listing, go to www.irs.gov (keyword: Publication 502), or call the IRS at 1-800-829.3676. If you select no coverage, you will be entitled to the “retiree” only allotment of \$200 per month.

Q23. What happens if I am covered under my spouse’s benefits plan? Will I still get an HRA allocation from Cincinnati Bell?

A23. Yes, you will receive an HRA allocation for yourself of \$200 per month. Your HRA may be used to cover IRS-eligible medical expenses you incur.

AARP Health Care Options

Q24. How did Cincinnati Bell select the AARP Health Care Options as the Medicare Supplement Plans offered to its Medicare-eligible retirees?

A24. AARP is a name that retirees trust and AARP Health Care Options is the program of medical insurance plans offered to AARP members. The plans are underwritten by United HealthCare Insurance Company. As a result of Cincinnati Bell selecting AARP Medicare Supplement Plans, you will be part of a group of over 2.5 million other AARP members who have enrolled in a Medicare Supplement Plan through AARP Health Care Options. That means that plan costs are spread over a much larger population than just Cincinnati Bell retirees, which results in favorable pricing and more stable trends.

Q25. With up to twelve different AARP Medical Supplement plans, how do I choose what’s right for me?

A25. That depends on your personal situation and health, In addition to Medicare Parts A and B; Medicare Supplement Plan L and in combination with the MedicareRx-Enhanced Plan are most like the current Cincinnati Bell POS 250 Plan. At the upcoming enrollment meetings in November, representatives from United HealthCare will be on hand to give you a basic understanding of how Medicare Parts A, B and D work and discuss any questions you may have about the twelve (12) AARP Medicare Supplement Plans and the three prescription drug plan choices available to you—AARP MedicareRx Basic Plan, AARP MedicareRx Saver Plan, and AARP MedicareRx Plan-Enhanced.

If you would like to learn more about the twelve AARP Health Care Options before the November meetings, you can log on to www.aarphealthcare.com:

- Click on “Products & Services” on the top navigation bar
- Click on “Medicare Supplement Plan”
- Input: Your “State of Residence”, “Zip Code”, “Date of Birth”, “Medicare (Part B) Effective Date”
- Hit “Submit”
- Click on “Outline of Coverage” on the left navigation bar
- Then click on Plans A-L.

Q26. I need help understanding the Medicare Supplement Plan L chart that is in the retiree booklet that was sent in early September (dated September 6, 2007).

A26. To get answers to your questions about AARP Plans, please call 1-800-545-1797, and let them know that you are a Cincinnati Bell retiree.

Q27. Do I need to be an AARP member to enroll in an AARP Medicare Supplement Plan?

A27. You **do** need to be an AARP member to enroll in an AARP Medicare Supplement Plan. If you are not an AARP member now, United HealthCare will provide a complimentary one-year AARP membership when you send in your enrollment form for an AARP Medicare Supplement Plan. Beyond 2008, if you wish to continue your AARP membership you will need to pay the annual AARP membership dues, which are currently \$12.50 per household. Please note that after you enroll in an AARP Medicare Supplement plan, your coverage is guaranteed renewable. You do not need to maintain your membership in AARP to continue your AARP Medicare Supplement plan.

An AARP membership is not required for enrollment in an AARP MedicareRx prescription drug plan.

Q28. Has the provider network changed?

A28. Yes. If you enroll in an AARP Medicare Supplement Plan underwritten by United HealthCare Insurance Company, there are no provider networks. You may choose any Medicare approved provider.

Q29. Can I opt out of health care coverage?

A29. Yes. As always you may opt out of health care coverage, however, if you opt out you will not be able to rejoin the plan until the next annual open enrollment period, which will normally be in November of each year. Changes you make will take effect the next January 1.

Q30. Can I see a side-by-side of the AARP Health Care Options?

A30. Plan descriptions of all the plans available to you will be provided in the enrollment package you will receive from UHC in late October or early November.

Q31. How long has AARP offered a health insurance program?

A31. AARP has made health insurance available since AARP was founded in 1958.

Q32. I would like to authorize someone to make my 2008 health care decision for me, how do I do that?

A32. If you would like to authorize someone, such as a spouse, relative or friend to help you with matters concerning your health insurance, contact AARP Health Care Options for instructions and an authorization form. You can also log on to www.aarphealthcare.com.

AARP MedicareRx

Q33. Do I need a prescription drug plan along with Medicare Part A & B?

A33. Medicare Part D is the outpatient prescription drug program. It helps you cover the costs of your prescriptions.

Q34. What do the different tiers refer to in the prescription drug program?

A34. AARP MedicareRx Plans have four tiers of copays/coinsurance for prescription drugs:

- **Tier 1:** has the **lowest copay** because most generic drugs fall into this tier.
- **Tier 2:** has a **medium copay** because it contains mostly preferred brand-name drugs
- **Tier 3:** has the **highest copay** because it contains non-preferred drugs that have clinical disadvantages and/or higher prices than Tier 1 or 2
- **Tier 4:** requires **coinsurance** because this tier contains unique, very high-cost drugs

Q35. How do the AARP MedicareRx Plans compare?

A35. After the AARP MedicareRx Plans have been approved for 2008 and announced by CMS (Centers for Medicare and Medicaid Services), you will receive an enrollment package from United HealthCare with an explanation of the available plans. When you receive this package, you will want to look up the prescriptions you are currently taking to see which tier they are in and decide which plan option is best for you.

In combination with Medicare Parts A, B and the Medicare Supplement Plan L, if you want to keep your out-of-pocket costs at about the same level as under the 2007 POS 250 Cincinnati Bell Plan, consider the MedicareRx-Enhanced Plan.

Q36. Can you explain the “donut hole”?

A36. The Center for Medicare and Medicaid Services (CMS) sets the coverage limit each year. For 2007, that initial coverage limit is \$2,400. If you were to enroll in the either of the MedicareRx Plans, the plan shares the cost of prescriptions with you on the first \$2,400 of prescriptions purchased. You pay a copay or coinsurance for each prescription and the plan pays the remainder of the cost of the covered drug. After you have used up \$2,400 worth of prescriptions, you must pay 100% of the costs of your prescription drugs until your out-of-pocket costs reach \$3,850 (except under the Enhanced plan which provides coverage for generic medications even after the first \$2,400 of prescriptions have been purchased). Once you have paid \$3,850 out of your pocket for the year, then you have reached what is called the catastrophic limit and you will pay 5% with the plan paying the other 95% for covered prescriptions for the remainder of the year.

The gap in prescription drug coverage (after the \$2,400 and before the \$3,850) is referred to as the “**donut hole**”.

Q37. What is “creditable coverage”?

A37. There are late enrollment penalties for Medicare-eligible retirees who do not enroll in Medicare Part D when they are first eligible. However, retirees are exempt from these

penalties if they can document that they did not enroll because they had prescription drug coverage that was equal to or better than a Medicare Part D plan. This documentation is called a “creditable coverage notice”. If you had insurance through Cincinnati Bell in 2007, you will receive a copy of the “Notice of Creditable Coverage for 2007” in October.

Q38. I heard I may have to pay a financial penalty if I did not enroll in Medicare Part D when I was first eligible, is that true?

A38. This is generally true if you were not covered under a plan that provides prescription drug benefits that satisfy minimum coverage requirements established under Medicare Part D. For every month a person delays enrolling past his or her Initial Enrollment Period, the Medicare Part D monthly premium is subject to an increase of 1%.

However, you can avoid this late enrollment penalty by showing a “Notice of Creditable Coverage” which the Company will send to you in October.

Life Insurance Changes for 2008

Q39. What is the life insurance change for 2008?

A39. Your company-provided life insurance also referred to as “basic” life insurance will be \$15,000 effective January 1, 2008. Any retiree whose life insurance is below \$15,000 because of the age 65 to age 70 reduction provision or for any other reason will remain at the lower level. The \$15,000 is not subject to the reduction provision beginning at age 66. Benefits are payable in addition to any death benefits that you may be eligible for under the pension plan. Benefits can be paid to any beneficiary as indicated on your beneficiary form. You can change your beneficiary designation at any time by contacting the Cincinnati Bell Benefit Office.

Q40. Can I convert my life insurance policy?

A40. You may convert that portion of life insurance that is lost to an individual policy owned by you and for which you would be responsible for paying premiums directly to MetLife in order to maintain coverage.

For example, you currently have \$25,000 in company-provided or basic life insurance. On January 1, 2008 it will reduce to \$15,000. MetLife will provide you with the opportunity to convert the \$10,000 reduction amount to an individual policy.

Pension Death Changes for 2008

Q41. What are the pension death benefits for 2008?

A41. The pension death benefit, if any, will be reduced to \$15,000 effective January 1, 2008. There are no conversion opportunities for this coverage. It will be paid in addition to any company-provided (basic) Life Insurance benefits that you may be eligible for, but only to an eligible mandatory beneficiary as defined in the pension plan.

General Questions

Q42. Can you remind me of the timing for additional 2008 communications and meetings?

A42. The timing is as follows:

- **In September:**
 - There will be information sent to you regarding a new retiree page on the Cincinnati Bell Internet site (www.cincinnati-bell.com/retirees).
- **In October:**
 - 2008 AARP MedicareRx Plan details and pricing will be available and will be sent to you.
 - You will receive your “Notice of Creditable Coverage for 2007”. This notice should be submitted with your Medicare Part D enrollment form so that you will avoid paying a late enrollment penalty.
 - You will receive enrollment packages for the AARP Medicare Supplement plans and for the AARP MedicareRx plans.
 - You will receive the “normal” open enrollment confirmation sheet from Cincinnati Bell reflecting dental and life insurance coverage for 2008.
- **In November:**
 - Cincinnati Bell and United HealthCare will host enrollment meetings in the Greater Cincinnati area beginning on November 6. Information with the places, dates and times of those meetings will be sent to your home. We will make every effort to videotape one of the meetings and will make it available upon request to those who cannot attend.

Q43. When will I need to make my 2008 health care decision?

A43. You will need to make your decision in November. We suggest that you attend one of the meetings to learn about your options and answer any questions you may have about your 2008 enrollment.

As noted, enrollment in the medical and Rx plans for 2008 will be handled through United Healthcare and not through Cincinnati Bell. You will, however, still receive the normal confirmation from Cincinnati Bell reflecting your dental coverage, if any, and basic life insurance.

Q44. What should I do if I lost my booklet of information that was sent to me in early September?

A44. You will be receiving information on how to log on to the new retiree page from the Cincinnati Bell Internet site soon (if you have not already received that information). All communications that you have received and that you will receive in the weeks and months to come will be posted on the site. If you do not have access to the Internet, we can print a copy of the communication here and send it to your home address.

Q45. Where can I get more information about these Medicare plans?

A45. To get answers to your questions about AARP Plans, please call 1-800-545-1797, and let them know that you are a Cincinnati Bell retiree.

Or, you can look on these websites: www.AARPhhealthcare.com; www.AARPMedicareRx.com (for information about choosing a Part D plan), or go

online to www.medicare.gov. However, 2008 plan information will not be available until October 1, 2007).

Information provided in this set of FAQs is not intended to give advice and it does not provide every plan detail. In case of any discrepancies between this information and the official Plan documents or insurance contracts, the official documents will govern.

The Company reviews its benefit plans regularly and continues to reserve the right to modify, suspend or eliminate any plan at any time for any reason. Under no circumstances shall participation in this or any other Cincinnati Bell benefit plan create or be construed to create a contract or guarantee of employment.