

MEDICARE ELIGIBLE



Vought Aircraft Industries, Inc.
Post Office Box 655907
Dallas, TX 75265-5907

November 5, 2007

Dear Retiree Medical Plan Participant,

Outlined below are your retiree medical enrollment options for 2008. The enrollment period will be from November 9 through November 26, 2007.

Options for Medicare-eligible participants

- Vought will continue to offer the Secure Horizons Direct (PFFS) plan for participants who are currently in the plan but the renewal price has increased from \$108.57 per participant to \$133.54 per participant.
- We will also be offering Medicare Supplement Insurance, insured by UnitedHealthcare Company*. This coverage is known as AARP Health Care Options**. You will receive a separate mailing explaining AARP Health Care Options from UnitedHealthcare.
- **A Medicare Advantage plan (medical and prescription drug)** is available in the Dallas – Ft. Worth area, presented by UnitedHealthcare. Medicare Advantage is the expanded managed care plan offered under Medicare that provides prescription drug benefits with managed health care. A benefits summary is attached. You will be contacted and presented enrollment options directly by UnitedHealthcare if you live in an eligible county.
- Please note that the participant can select only one of the options above (Secure Horizons Direct (PFFS) plan, AARP Health Care Options or Medicare Advantage). A participant cannot be enrolled in two or more plans simultaneously. The retiree and dependent may each select different options however. For example, the retiree may select AARP Health Care Options while the dependent may select the Medicare Advantage plan.
- **Important note:** Secure Horizons Direct (PFFS) and AARP Health Care Options require you to purchase a separate Medicare Part D plan for prescription drug coverage (as noted above the Medicare Advantage

plan includes prescription drug benefits). Open enrollment for Medicare prescription drug plans will be November 15, 2007 through December 31, 2007. Contact Medicare at 1-800- 633-4227 or visit their website at www.medicare.gov for additional information.

- **If you retired prior to August 9, 2005** and are Medicare-eligible, you will be given a monthly stipend of \$40 toward the cost of either the PFFS plan, AARP Health Care Options, Medicare Advantage plans or alternate plan of your choice. Medicare-eligible dependents will also receive the stipend
- **Monthly Stipend Update:** Currently, the \$40 monthly stipend is submitted directly to Secure Horizons Direct. This will not change if you enroll in the Secure Horizons Direct (PFFS) plan. However, beginning in 2008, if you do not elect the Secure Horizons Direct (PFFS) plan, the stipend can be added to your pension check and used towards the payment of your Medicare Part B premium or the premium for any other health care plan. Complete and submit the attached Certification of Medicare Coverage form to request the stipend be added to your monthly pension check.

Confirmation Statement

You will be mailed a confirmation statement (following the enrollment period) showing your health plan selections for 2008. Please read this statement carefully and call the Benefits Center if you have questions about your coverage. If you sign up for either the PacifiCare PFFS plan, AARP Health Care Options plan or Medicare Advantage plan, you will also receive a confirmation directly from the provider.

Life Insurance

If you are purchasing optional life insurance and have reached the next five-year age increment, your life insurance premium will increase. This premium will continue to be deducted from your monthly pension check.

Enrollment Questions?

- UnitedHealthcare 1-800-545-1797
- Secure Horizons Direct (PFFS) 1-800-287-0053

- PacifiCare HMO 1-800-624-8822
- Kaiser HMO 1-800-464-4000
- Blue Cross Blue Shield Member Services 1-888-979-4514
- **Vought Call Center toll free at 1-866-689-5999, 8 a.m. to 8 p.m. Monday through Thursday and 8 a.m. to 4:30 p.m. on Friday. (Central Time)**

To Enroll:

- If you are enrolled in Secure Horizons Direct (PFFS) and wish to remain in that plan, do nothing.
- If you are enrolled in Secure Horizons Direct (PFFS) and wish to move to another plan (including AARP Health Care Options or the Medicare Advantage plan) or select no plan at all, visit the Vought Benefits Web site at benefits.voughtaircraft.com and select “opt out.” The carrier will be sending you a disenrollment form, which you must complete and return.
- If you wish to enroll in AARP Health Care Options, complete the enrollment package you will be receiving from UnitedHealthcare. The package will need to be returned to UnitedHealthcare before December 15, 2007. *Once again, if you are currently enrolled in Secure Horizons Direct (PFFS), you will need to select “opt out” on the Vought Benefits Web site (benefits.voughtaircraft.com) then complete and return the disenrollment form that will be mailed to you separately.*
- If you live in an eligible county, you will be contacted directly by UnitedHealthcare regarding the Medicare Advantage plan. The package will need to be returned to UnitedHealthcare by December 15, 2007.
- You may choose to “opt out” of all Vought medical plans offered for 2008. If you opt out and do not sign up for either Secure Horizons Direct (PFFS), AARP Health Care Options or the Medicare Advantage plan, you will have no medical coverage through Vought in 2008.

As you know, costs for medical services and prescription drugs continue to rise. This means we must continually evaluate our retiree medical programs

and, when necessary, make changes in retiree cost sharing and in our health care plan designs. We are pleased to be able to offer this package of options for the 2008 plan year.

Thank you for the opportunity to be of service with your retiree health care benefits.

Sincerely,



Cliff Collier
Manager – Benefits

* UnitedHealthcare Insurance Company of New York for New York Residents.

** AARP Health Care Options is the name of AARP's health insurance and service program. It is not the insurer. AARP contracts with insurers to make coverage available to AARP members.

Enclosures: Medicare Advantage Plan Summary of Benefits
Certification of Medicare Coverage

The information in this document is intended as a summary. If there is a conflict between the information here and the official plan documents, the official documents will always determine how benefits are paid and the way the plan works. Any changes in retiree contributions or optional life insurance premiums will be effective January 1, 2008.

Medicare Advantage Plan – Benefit Summary *

Plan Features	Plan Offering
Service Areas (Counties)	Collin, Dallas, Denton, Ellis, Johnson, Kaufman, Rockwall, Tarrant
Annual Out-of-Pocket Maximum	\$2,000
Office Visit – PCP	\$10
Specialist	\$20
Hospitalization	\$200 per admission
Emergency	\$50
Ambulance	\$50
Home Health Care	\$0
Outpatient Rehab	\$25
Outpatient Surgery	\$100
Mental Health	
Inpatient	\$200 per admission
Outpatient	\$10/\$20
Skilled Nursing Facility (SNF)	\$0 for days 1-20 / \$50 for days 21 – 100
Chiropractic Care	\$20 Medicare Required
Hearing Aid	N/A
Vision Exam Routine	\$20
Vision Hardware	N/A
Caregiver	N/A
Medicare Part B Drugs	20%
Prescription Drugs	\$4 / \$10 / \$20 / \$20 (Mail 2x)
Gap Coverage	Full coverage
Monthly Contribution	\$211.93 per Participant

***This is a summary only. In the event of a conflict between this summary and the plan, the provisions of the plan shall supercede this summary.**