



*Update to the
2006 Retiree Health Benefits Guide*
(2010 Summary of Material Modifications)

Texas Instruments Incorporated (TI) is required to provide each participant with a notification of important changes to the TI Employees Health Benefit Plan (“the Plan”). This notification is called a Summary of Material Modification (SMM) and is intended to update the Summary Plan Description (SPD), also known as the *2006 Retiree Health Benefits Guide*. Please keep this notice with your SPD to maintain a current description of the Plan and its benefits. (To obtain another copy of the *2006 Retiree Health Benefits Guide*, see instructions on page 5 of this booklet.)

Benefits under the Plan were modified effective January 1, 2010, as described on the following pages.

CHANGE #1: Changed coverage as required by the Mental Health Parity and Addiction Equity Act

- Eliminated 10% penalty for failure to notify Blue Cross Blue Shield within 72 hours of hospitalization as a result of a behavioral health care emergency. (Refer to pages 24 and 40 of the *2006 Retiree Health Benefits Guide*.)
- Eliminated two per lifetime limitation on chemical dependency treatment programs or admission for an individual – treatment such as a structured outpatient program or day treatment program. (Refer to page 25 of the *2006 Retiree Health Benefits Guide*.)
- Cover outpatient behavioral health care expenses at 90% (inpatient remains at 70%; non-network remains at 50%) – inpatient behavioral health care covered the same as other inpatient medical expenses; outpatient behavioral health care covered the same as other outpatient medical expenses. (Refer to page 39 of the *2006 Retiree Health Benefits Guide*.)
- Behavioral health care expenses applied to medical deductible. (Refer to pages 39-42 of the *2006 Retiree Health Benefits Guide*.)
- Behavioral health expenses applied to annual-out-of-pocket maximums for medical. (Refer to pages 9 and 21 of the *2006 Retiree Health Benefits Guide*.)
- Eliminated requirement to contact the EAP for referral to a network behavioral health care provider in order to receive maximum benefit level. You will receive the maximum benefit level as long as you access treatment through a network provider. (Refer to pages 24 and 96 of the *2006 Retiree Health Benefits Guide*.)

CHANGE #2: Changed annual physical therapy limit

Changed annual physical therapy limit from \$1,500 to \$2,000. (Refer to page 37 of the *2006 Retiree Health Benefits Guide*.)

CHANGE #3: Expanded preventive health care benefits in Blue Cross Blue Shield PPO

Expanded list of preventive benefits to cover the following services once annually for adults 18 years of age or older (refer to page 46 of the *2006 Retiree Health Benefits Guide*):

- Complete Blood Count (CBC) screening
- Lipid Panel screening
- Fasting Glucose screening

CHANGE #4: Clarification of discontinuance of coverage for surviving spouses who remarry

If your surviving spouse remarries, your surviving spouse and/or eligible dependents are no longer eligible to continue coverage under COBRA. (Refer to pages 6 and 61 of the *2006 Retiree Health Benefits Guide*.)

CHANGE #5: Expanded coverage changes as required by the Children's Health Insurance Program Reauthorization Act of 2009

You can make changes in your medical coverage, or add or drop dependents, within 60 days of a qualified status change resulting from a loss of coverage or becoming eligible to participate in a premium assistance program under Medicaid or a State child health insurance program. (Refer to pages 15 and 16 of the *2006 Retiree Health Benefits Guide*.)

CHANGE #6: Notice of special one-time COBRA election and subsidy

If you were involuntarily terminated on or after September 1, 2008, and before February 17, 2009, and did not elect COBRA or had COBRA continuation coverage in effect on February 17, 2009, you had a one-time opportunity to elect COBRA continuation coverage a second time, within 60 days after receiving appropriate notice from TI.

You may be entitled to a subsidy if you were involuntarily terminated between September 1, 2008, and December 31, 2009 (or such later deadline if the duration is extended by legislation). The subsidy of your COBRA continuation coverage, if you are eligible, will continue for the lesser of: (i) 9 months, (ii) until the date the COBRA continuation coverage would have expired had you elected COBRA continuation coverage at the time of your original COBRA election period, or (iii) until the occurrence of an event specified in the Early Termination of COBRA Continuation Coverage section below. (Refer to page 104 of the *2006 Retiree Health Benefits Guide*.)

UPDATE: Clarification of notice requirement for early termination of COBRA continuation coverage

You must notify the Plan Administrator within 30-days of your loss of coverage in order to prevent being charged a monthly premium after loss of eligibility. You may not receive a refund for any premium paid for coverage after you lose eligibility if you fail to notify the Plan Administrator within this 30-day period. (Refer to page 108 of the *2006 Retiree Health Benefits Guide*.)

UPDATE: Clarification of eligible dependent children covered under an HMO in some locations

In some locations, if you chose an HMO and you are a resident of that state and covered under an HMO policy issued in the respective state, you may be entitled to continue your child's coverage (or children of the same-gender domestic partner) as described below:

- Texas: If you have an unmarried, dependent child, coverage is available to your unmarried, dependent child up to age 25 regardless of their student status. This exception does not apply to the BCBS PPO or to any HMO issued outside of Texas.
- Massachusetts: You may cover your unmarried, dependent child up to age 25 or for up to two years past your child's loss of dependent status. This exception does not apply to the BCBS PPO or to any HMO issued outside of Massachusetts.

Other state-dependent coverage mandates only apply to HMOs issued in that state. If your coverage is issued in one state and you reside in another, you are subject to any mandates that apply to the state where your coverage is issued. Refer to any HMO coverage you are considering for details on dependents covered under that HMO.

For federal income tax purposes, individuals covered as a dependent under these state mandates may not be treated as dependents eligible for pre-tax treatment. Such different tax treatment may result in the benefits for dependents covered under the extended HMO definition being taxed to you and subject to additional withholding.

If you have a child who is a dependent student who takes a medically necessary leave of absence from school, your child may continue coverage for up to 12 months, or, if earlier, until such coverage would otherwise terminate under the terms of the health insurance coverage. You must provide TI with a doctor's certificate of the need for such leave to qualify for the continuation of coverage. A "medically necessary leave of absence" is a leave of absence from a post-secondary educational institution or any change in enrollment at such institution that commences while your child is suffering from a serious illness or injury, is medically necessary, and causes your child to lose dependent status for purposes of health insurance coverage. (Refer to pages 12 and 13 of the *2006 Retiree Health Benefits Guide*.)

UPDATE: Clarification of Maintenance of Benefits provisions process through BCBS

If you retired on or after January 1, 1988, or you became either age 65 or eligible for Medicare after this date, Maintenance of Benefits provisions are in effect. In this case, when the Blue Cross Blue Shield (BCBS) PPO is secondary, the Blue Cross Blue Shield PPO Plan will compare the Medicare-allowed amount and the Blue Cross Blue Shield-allowed amount, and use the lesser to determine the amount of secondary plan benefits covered. If the primary plan has paid the same or more than the covered amount of secondary plan benefits, the Blue Cross Blue Shield PPO will not pay on the claim. (Refer to page 64 of the *2006 Retiree Health Benefits Guide*.)

OTHER INFORMATION

Special Notice. As required by the Women's Health and Cancer Rights Act of 1998, the TI Plan provides benefits for mastectomy-related services, including all stages of reconstruction and surgery to achieve a symmetrical appearance between the breasts, prostheses and treatment of physical complications of all stages of mastectomy, including swelling associated with the removal of lymph nodes. Contact the TI Benefits Center through TI HR Connect at 888-660-1411, option 1, for more information regarding such benefits provided by the TI Plan.

Questions. If you have any questions about the information contained in this notice or would like to request another copy of the *2006 Retiree Health Benefits Guide*, contact the TI Benefits Center through TI HR Connect at 888-660-1411, option 1. You can also access the *2006 Retiree Health Benefits Guide* via the Fidelity NetBenefits® Web site (netbenefits.fidelity.com) - select the "Health & Insurance" tab, scroll to the section identified as "More Benefits Resources", click on "Reference Library" and look for "Summary Plan Description". The *2006 Retiree Health Benefits Guide* can also be found at www.tialumni.org.

Notice of Privacy Rights. To obtain a notice of privacy rights, which gives advice required by the law and applies to health information Texas Instruments Incorporated Welfare Benefits Plan receives about you, please contact the TI Benefits Center through HR Connect at 888-660-1411, option 1.

Creditable Prescription Drug Coverage Notice. The following pages provide a sample of the Creditable Prescription Drug Coverage Notice. You should have received a copy of this notice. If you didn't receive it, you can request one through the TI Benefits Center. Call TI HR Connect, 888-660-1411, and select option 1 to speak to a representative.

Important Notice from Texas Instruments Incorporated About Your Prescription Drug Coverage and Medicare

Please read this notice carefully and keep it where you can find it. This notice has information about your current prescription drug coverage with Texas Instruments Incorporated (TI) and new prescription drug coverage available for people with Medicare. It also explains the options you have under Medicare prescription drug coverage and can help you decide whether or not you want to enroll. At the end of this notice is information about where you can get help to make decisions about your prescription drug coverage.

- 1. Medicare prescription drug coverage became available in 2006 to everyone with Medicare through Medicare prescription drug plans and Medicare Advantage Plans that offer prescription drug coverage. All Medicare prescription drug plans provide at least a standard level of coverage set by Medicare. Some plans may also offer more coverage for a higher monthly premium.**
- 2. TI has determined that the prescription drug coverage offered by the TI plan is, on average for all plan participants, expected to pay out as much as the standard Medicare prescription drug coverage will pay and is therefore considered Creditable Coverage.**

Because your existing coverage is on average at least as good as standard Medicare prescription drug coverage, you can keep your TI Extended Health Benefits Coverage and not pay extra if you later decide to enroll in Medicare prescription drug coverage.

Individuals can enroll in a Medicare prescription drug plan when they first become eligible for Medicare and each year from November 15 through December 31. Beneficiaries leaving employer/union coverage may be eligible for a Special Enrollment period to sign up for a Medicare prescription drug plan.

You should compare your current coverage, including which drugs are covered, with the coverage and cost of the plans offering Medicare prescription drug coverage in your area.

If you do decide to enroll in a Medicare prescription drug plan, your TI coverage will be dropped and your dependents will be offered COBRA: be aware that you and your dependents may not be able get this coverage back.

Please contact us for more information about what happens to your coverage if you enroll in a Medicare prescription drug plan.

TI has determined that the option(s) listed below is, on average for all plan participants, expected to pay out as much as the standard Medicare prescription drug coverage will pay and is therefore considered Creditable Coverage:

- BCBS PPO
- SecureHorizon HMO – Rhode Island
- SecureHorizon HMO – Texas
- Medex III
- Medex Standard

You should compare your current coverage, including which drugs are covered, with the coverage and cost of the plans offering Medicare Prescription Drug Coverage in your area.

- If **you** choose to join a Medicare prescription drug plan, you and any covered family members will lose coverage under the TI Plan, and **WILL NOT** be eligible to re-enroll at any time (unless you terminated employment prior to January 1, 1998). **This means medical and prescription drug coverage under the TI Plan ends for you and any covered family members.** Please plan carefully, because if you join a Medicare prescription drug plan, your family members will be left without medical and prescription drug coverage if they don't have coverage elsewhere. You will be able to enroll for TI coverage at the next annual enrollment or within 30 days of an appropriate qualified status change (provided that you notify TI through Fidelity NetBenefits[®] or the TI Benefits Center within the same thirty day period of the status change), if Medicare prescription drug coverage is dropped, unless you terminated employment on or after January 1, 1998, in which case **once TI coverage ends, it cannot be reinstated.**
- If **any of your covered family members** choose to join a Medicare prescription drug plan, they will lose their coverage under the TI Plan. This means their medical and prescription drug coverage under the TI Plan ends. If they drop their Medicare prescription drug coverage, you will be able to re-enroll them for prescription drug coverage through the TI Plan during any annual enrollment period or within 30 days of an appropriate qualified status change (provided that you notify TI through Fidelity NetBenefits or the TI Benefits Center within the same thirty day period of the status change), as long as you remain enrolled in the TI Plan. If you drop coverage under the TI Plan, neither you nor your dependents can re-enroll in the TI Plan (unless you terminated employment prior to January 1, 1998).

You should also know that if you drop or lose your coverage with TI and do not enroll in Medicare prescription drug coverage after your current coverage ends, you may pay more to enroll in Medicare prescription drug coverage later.

If you go 63 days or longer without prescription drug coverage that is at least as good as Medicare's prescription drug coverage; your monthly premium will go up at least 1% per month for every month after your initial enrollment period that you did not have that coverage. For example, if you go 19 months without creditable coverage, your premium will always be at least 19% higher than what most other people pay. You'll have to pay this higher premium as long as you have Medicare coverage. In addition, you may have to wait until the next November to enroll.

For more information about this notice or your current prescription drug coverage...

Please call the TI Benefits Center toll-free at 888-660-1411, Monday through Friday (excluding New York Stock Exchange holidays) between 8:30 a.m. and 8:30 p.m. Eastern time to speak with a customer service associate. **Note:** You will receive this notice annually and at other times in the future such as before the next period you can enroll in Medicare prescription drug coverage, and if this coverage changes. You also may request a copy.

For more information about your options under Medicare prescription drug coverage...

More detailed information about Medicare plans that offer prescription drug coverage is in the **Medicare & You** handbook. You'll get a copy of the handbook in the mail every year from Medicare. You may also be contacted directly by Medicare prescription drug plans. You can also get more information about Medicare prescription drug plans from the following:

- Visit **www.medicare.gov**.
- Call your State Health Insurance Assistance Program (see your copy of the **Medicare & You** handbook for their telephone number) for personalized help.
- Call 800-MEDICARE (800-633-4227). TTY users should call 877-486-2048.

For people with limited income and resources, extra help paying for a Medicare prescription drug plan is available. Information about this extra help is available from the Social Security Administration (SSA). For more information about this extra help, visit SSA online at **www.socialsecurity.gov**, or call them at 800-772-1213 (TTY 800-325-0778).

Remember: Keep this Creditable Coverage notice. If you enroll in one of the new plans approved by Medicare which offer prescription drug coverage, you may need to give a copy of this notice when you join to show that you are not required to pay a higher premium amount.

Index of Changes to the *2006 Retiree Health Benefits Guide*

For your reference, summarized below are the changes to the *2006 Retiree Health Benefits Guide* including information as to which Summary of Material Modifications you should reference for more details.

2007 Summary of Material Modifications

CHANGE #1: Expanded preventive health care benefits in the Blue Cross Blue Shield PPO

(Refers to pages 45-48 of the *2006 Retiree Health Benefits Guide*)

CHANGE #2: Improved behavioral health care benefits in the Blue Cross Blue Shield PPO

(Refers to pages 23-25 and pages 39-42 of the *2006 Retiree Health Benefits Guide*)

CHANGE #3: Updated Medicare prescription drug coverage information

(Updates pages 65-71 of the *2006 Retiree Health Benefits Guide*)

CHANGE #4: Updated contact information

(Refers to page 3 of the *2006 Retiree Health Benefits Guide*)

- The phone number for the CIGNA HMO (Dallas/North Texas) is 800-244-6224.
- The phone number for the UHC Medicare Complete HMO (Rhode Island) is 888-867-5548.

2008 Summary of Material Modifications

CHANGE #1: Expanded behavioral health care benefits in the Blue Cross Blue Shield PPO

(Refers to pages 24-25 and 44 of the *2006 Retiree Health Benefits Guide*)

CHANGE #2: Changed prescription benefits in the Blue Cross Blue Shield PPO

(Refers to pages 25-27 of the *2006 Retiree Health Benefits Guide*)

CHANGE #3: Enhanced benefits in the Employee Assistance Program (EAP)

(Refers to pages 94-97 of the *2006 Retiree Health Benefits Guide*)

CHANGE #4: Updated Eye-Care Discount Program information

(Updates pages 99-101 of the *2006 Retiree Health Benefits Guide*)

CHANGE #5: Updated contact information

(Refers to pages 2-3 of the *2006 Retiree Health Benefits Guide*)

- The BCBS PPO Pharmacy Network Administrator is CVS Caremark.
- The phone number for the Eye-Care Discount Program is 866-723-0391.
- The name for the PacifiCare Secure Horizons HMO, serving the Dallas/Fort Worth and San Antonio areas, is Secure Horizons HMO - Texas.
- The name for the UHC Medicare Complete HMO, serving Rhode Island, is Secure Horizons HMO – Rhode Island.

2009 Summary of Material Modifications

CHANGE #1: Changed prescription benefits in the Blue Cross Blue Shield PPO for pre-Medicare participants

(Updates page 26 of the *2006 Retiree Health Benefits Guide*)

CHANGE #2: Changed Blue Cross Blue Shield PPO options for pre-Medicare participants

(Updates page 39 of the *2006 Retiree Health Benefits Guide*)

CHANGE #3: Expanded preventive health care benefits in the Blue Cross Blue Shield PPO

(Refers to page 46 of the *2006 Retiree Health Benefits Guide*)

CHANGE #4: Changed Blue Cross Blue Shield PPO appeal timing

(Refers to page 57 of the *2006 Retiree Health Benefits Guide*)

CHANGE #5: Changed MetLife Dental appeal timing

(Refers to page 88 of the *2006 Retiree Health Benefits Guide*)

CHANGE #6: Updated contact information

- The phone number for TI Benefits Center is 888-660-1411, option 1. TI Benefits Center representatives are available between 8:30 a.m. and 8:30 p.m., Eastern Time, Monday through Friday (excluding New York Stock Exchange holidays). The address for TI Benefits Center is:
PO Box 770003
Cincinnati, OH 45277
- The name and phone number for TI SmartLink is now TI HR Connect at 888-660-1411.
- Your Benefits Resources™ is now Fidelity NetBenefits® at netbenefits.fidelity.com. The Fidelity NetBenefits Web site is available

virtually 7 days per week, 24 hours per day, except for scheduled maintenance windows.

- The phone number for the Optimum Choice HMO is 800-815-8958. For mail, please use the mailing address on the back of your ID card.
- The phone number for SecureHorizons TX is 866-622-8055; the phone number for SecureHorizons RI is 888-867-5548.

2010 Summary of Material Modifications

CHANGE #1: Changed coverage as required by the Mental Health Parity and Addiction Equity Act

(Refers to pages 9, 21, 24-25, 39-42 and 96 of the *2006 Retiree Health Benefits Guide*)

CHANGE #2: Changed annual physical therapy limit

(Refers to page 37 of the *2006 Retiree Health Benefits Guide*)

CHANGE #3: Expanded preventive health care benefits in Blue Cross Blue Shield PPO

(Refers to page 46 of the *2006 Retiree Health Benefits Guide*)

CHANGE #4: Clarification of discontinuance of coverage for surviving spouses who remarry

(Refers to pages 6 and 61 of the *2006 Retiree Health Benefits Guide*)

CHANGE #5: Expanded coverage changes as required by the Children's Health Insurance Program Reauthorization Act of 2009

(Refers to pages 15 and 16 of the *2006 Retiree Health Benefits Guide*)

CHANGE #6: Notice of special one-time COBRA election and subsidy

(Refers to page 104 of the *2006 Retiree Health Benefits Guide*)

UPDATE: Clarification of notice requirement for early termination of COBRA continuation coverage

(Updates page 108 of the *2006 Retiree Health Benefits Guide*)

UPDATE: Clarification of eligible dependent children covered under an HMO in some locations

(Updates pages 12 and 13 of the *2006 Retiree Health Benefits Guide*)

UPDATE: Clarification of Maintenance of Benefits provisions process through BCBS

(Updates page 64 of the *2006 Retiree Health Benefits Guide*)

