



Alcoa Retiree Health Care Plan Benefits

2010 Enrollment Guide

How to Enroll

Online

You can enroll in your Alcoa retiree benefits or learn more about them on Your Benefits Resources™ website at <http://resources.hewitt.com/alcoa>. The website is available 24 hours each day except Sunday, when it is available after 1 p.m. Eastern Time.

Note: You will need your user ID and your password to log on to the website.

By Phone

If you are unable to enroll via the Your Benefits Resources™ website, you can enroll by calling 1-888-ALCOA123 (1-888-252-6212) weekdays between 9 a.m. and 5 p.m. Eastern Time.

When prompted, enter or say the last four digits of your Social Security number and your date of birth.

NOTE: This is a brief summary of your medical and prescription drug benefits. More detailed information about your coverage is available online at www.myalcoabenefits.com or <http://resources.hewitt.com/alcoa> or by calling 1-888-ALCOA123 (1-888-252-6212).

Please refer to your Enrollment Worksheet for price information and the deadline to enroll.

What's Changing in 2010?

Alcoa will use one medical claims administrator -- Highmark -- for all employees and retirees. If you are currently a CIGNA or UnitedHealthcare member, you'll be switched to Highmark, effective January 1, 2010. You'll receive a new ID card in December.

For pre-Medicare retirees:

- For the Comprehensive Medical Plan only, the out-of-pocket maximum has been increased by \$500 for individuals, to \$2,500, and by \$750 for families, to \$3,750.
- For the HSA plan, the maximum annual contribution has increased to \$2,650 for individual coverage and \$5,350 for family coverage.
- There will be a limit of 30 visits per calendar year per covered person (in and out-of-network combined total) for chiropractic care, physical therapy, occupational therapy and speech therapy. The limits are not combined between therapy types.
- Mental health and substance abuse benefits will change to be consistent with coverage for other medical services.

Can We Help You?

If English is your second language, call 1-888-ALCOA123 to speak with a translator. More than 180 languages are available!

Se Habla Español

Llame a la línea de Alcoa 1-888-ALCOA123. Para español diga "español" y su llamada será transferida a un representante quien pueda ayudar con asistencia de un intérprete en español.

Medical Coverage for Pre-Medicare Retirees*

You can choose from four medical plan options or opt out of coverage. All medical plans automatically come with prescription drug coverage and cover the same services, including in-network preventive care. The differences between plans are in the deductibles, coinsurance amounts, and out-of-pocket maximums.

An HMO option may be available in your area. Refer to your Enrollment Worksheet.

You must open your HSA account directly with ACS/Mellon and accrue funds before paying for eligible services.

The HSA is subject to IRS rules, including:

- Your medical and prescription drug expenses apply toward your deductible. This means that you must meet your annual deductible before the plan starts to pay any medical and/or prescription drug expenses including free generic drugs by mail.

- If you cover two or more people, you must meet the family deductible and out-of-pocket maximum (not the individual levels).

- Some of your contributions may be considered taxable income if you change medical plan options during the year, and you and Alcoa together have contributed more than the IRS-allowed maximum for the number of months you were in the Alcoa HSA plan.

	In-Network Medical Coverage			
	Basic	Comprehensive	HRA	HSA
DESIGNED FOR EMPLOYEES WHO	get most of their care from a primary care physician and use fewer services	expect to have a lot of medical bills	want to keep their HRA balance and have low to moderate medical bills	want to save tax-free for medical expenses and have low to moderate medical bills

ANNUAL HRA/HSA CONTRIBUTION AMOUNT

ALCOA'S CONTRIBUTION	N/A	N/A	\$750/employee only \$1,500/two or more people	\$400/employee only* \$800/two or more people*
ANNUAL EMPLOYEE CONTRIBUTION	N/A	N/A	N/A	Up to \$2,650/person* Up to \$5,350/family*

IN-NETWORK**

ANNUAL DEDUCTIBLE	\$1,000/person \$2,000/family	\$250/person \$500/family	\$1,500/person \$3,000/family	\$1,500/employee only \$2,500/two or more people (Medical + Drug)
COINSURANCE Routine Preventive Care	Alcoa pays 100% no deductible	Alcoa pays 100% no deductible	Alcoa pays 100% no deductible	Alcoa pays 100% no deductible
PCP Office Visits	Alcoa pays 90% no deductible	Alcoa pays 90% no deductible	Alcoa pays 90% after deductible	Alcoa pays 90% after deductible
Specialist Office Visits and ER Care	Alcoa pays 70% no deductible	Alcoa pays 80% after deductible	Alcoa pays 90% after deductible	Alcoa pays 90% after deductible
Other Services	Alcoa pays 70% after deductible	Alcoa pays 80% after deductible	Alcoa pays 90% after deductible	Alcoa pays 90% after deductible
ANNUAL OUT-OF-POCKET MAXIMUM	\$3,000/person \$4,500/family	\$2,500/person \$3,750/family	\$3,000/person \$6,000/family	\$3,000/employee only \$4,500/two or more people (Medical + Drug)

* Per IRS, total maximum contributions are \$3,050/\$6,150. Employees age 55 and older can make up to an additional \$1,000 in "catch-up" contributions in 2009.

**For out-of-network and network-not-available details, go to www.MyAlcoaBenefits.com.

Prescription Drug Plan

Pre-Medicare and Medicare-eligible retirees have the same prescription drug coverage. There are no changes to the prescription drug plan for 2010.

There are three coverage categories in the drug plan:

1. **Generics:** Typically, you'll never pay more than 10%, and there's no deductible. And generics are free by mail.
2. **Brand 80/20:** If your brand-name prescription drug has no or limited generic alternatives to treat your condition, it's considered Brand 80/20.
3. **Brand 50/50:** If your brand-name prescription drug has appropriate generic alternatives available, it's considered Brand 50/50.

NEW: Effective November 1, 2009, you can use the mail-order service or pick up your 90-day supply of maintenance medication at a CVS retail pharmacy. With this program, called Maintenance Choice, you get the same savings for using mail order whether you select home delivery or pick up at a CVS pharmacy.

If you are Medicare-eligible

You are not required to choose prescription drug coverage through Medicare. Alcoa will continue to provide your retiree prescription drug coverage for 2010. If you enroll in Medicare prescription drug coverage, you will be required to pay a monthly premium to the Medicare drug plan and a share of the costs for your medications - so you will be paying more for additional insurance that you may not need. Medicare prescription drug coverage will not supplement your Alcoa retiree drug plan, and your Alcoa retiree drug plan will not supplement Medicare prescription drug coverage. There will be no coordination between the two plans. Medicare prescription drug coverage may not cover all medications that the Alcoa plan covers. Alcoa's retiree drug plan is considered "creditable" by Medicare, which means, on average, it is at least as good as Medicare prescription drug coverage. Therefore, for most Alcoa retirees, there will be no advantage to signing up for the Medicare plan.

For more information about the Medicare drug plans offered in your area, you can call 1-800-MEDICARE (1-800-633-4227) or log on to www.medicare.gov.

If you have a limited income and resources, you may be eligible for assistance from the government to help pay for the Medicare coverage. You can call the Social Security Administration at 1-800-772-1213 for more information about this assistance.

For details about prescription drug coverage and examples of how you can save, go to www.MyAlcoaBenefits.com.

To find out how much you'll pay for your prescriptions, call CVS Caremark at 1-888-291-6372 or visit www.caremark.com.

Prescription Drug Coverage

	RETAIL PHARMACY Up to 30-day supply You will pay an additional 10% coinsurance if you buy a maintenance drug at a retail pharmacy after three fills.		MAIL SERVICE Up to 90-day supply		
	COINSURANCE	YOUR MAXIMUM COINSURANCE	COINSURANCE	YOUR MAXIMUM COINSURANCE	DEDUCTIBLE*
GENERIC	You pay 10% Alcoa pays 90%	\$100	You pay nothing Alcoa pays 100%	N/A	NONE for retail or mail
BRAND 80/20 Brand-name with no or few generic alternatives available	You pay 20% Alcoa pays 80%	\$100	You pay 20% Alcoa pays 80%	\$200	NONE for retail or mail
When your Brand 80/20 drug has a generic equivalent but you choose the brand	You pay 10% of the generic drug cost <i>plus</i> the difference in cost between the brand-name and generic drug	\$100 for coinsurance; <i>There is no maximum for the difference in cost or for the additional 10% for a maintenance drug filled at retail.</i>	You pay the difference in cost between the brand-name and generic drug	\$200 for coinsurance; <i>There is no maximum for the difference in cost.</i>	
BRAND 50/50 Brand-name with appropriate generic alternatives available	You pay 50% after deductible Alcoa pays 50%	\$100	You pay 50% after deductible Alcoa pays 50%	\$200	\$50 person/ \$100 family (One deductible that includes drugs purchased at retail and mail order)
When your Brand 50/50 drug has a generic equivalent but you choose the brand	You pay 10% of the generic drug cost <i>plus</i> the difference in cost between the brand-name and generic drug	\$100 for coinsurance; <i>There is no maximum for the difference in cost or for the additional 10% for a maintenance drug filled at retail.</i>	You pay the difference in cost between the brand-name and generic drug	\$200 for coinsurance; <i>There is no maximum for the difference in cost.</i>	

Generic equivalent: This means that there is a generic available that has the exact same active ingredients as the brand-name drug. For example, the generic equivalent of the cholesterol drug Zocor is simvastatin.

Generic alternative: This means that there is a generic available that can be used to treat that medical condition. For example, there are generic options to treat cholesterol. Even though there is not yet a generic equivalent for the drug Lipitor, generic alternatives exist to treat the condition.

* Pre-Medicare retirees: If you elect the HSA, you must meet the HSA's combined medical and drug deductible before prescription drug coverage begins.

Medical Coverage for Medicare-Eligible Retirees

Alcoa Medicare Supplement Plan

Once you become eligible for Medicare, your primary health care coverage is provided through Medicare. To help pay for some costs that Medicare does not cover, Alcoa offers you the Alcoa Medicare Supplement Plan. The Alcoa Medicare Supplement Plan supplements Medicare Part A (hospital) benefits, such as the inpatient deductible and daily copayments, and certain limited Medicare Part B (physician and other medical services) benefits.

Please note that, when you become eligible for Medicare, Alcoa will always pay your claim as if you have Medicare Part B, whether or not you are enrolled.

MedOption

You can elect to purchase the MedOption Plan if you enroll in the Alcoa Medicare Supplement Plan. This plan helps fill the gap between Medicare Part B and the Alcoa Medicare Supplement Plan.

MedOption is not an Alcoa plan. It is provided by your medical claims administrator (Highmark), and Alcoa provides access to the plan as a convenience. You pay the full monthly cost if you purchase the MedOption Plan. If you choose to enroll in MedOption, the cost will be deducted from your pension check or you can choose to be billed each month. Your retiree health care credits cannot be used to purchase MedOption coverage. Please refer to your Enrollment Worksheet for MedOption pricing information. You may enroll in MedOption coverage at any time.

Please note that there are other similar supplemental plans available through insurance companies and AARP that may better suit your needs and budget.

You may also have a Medicare HMO available in your area. If this option is available to you, it will be listed on your Enrollment Worksheet. You may contact the HMO directly for details about the plan.

This chart shows how Medicare, the Alcoa Medicare Supplement Plan, and MedOption work together.

Medical Benefits for Medicare-Eligible Retirees

Services	Medicare (up to Medicare-approved amount after Parts A & B deductibles are met)*	Alcoa Medicare Supplement Plan (up to Medicare-approved amount)	MedOption Plan (up to Medicare-approved amount)
AMBULANCE SERVICE	80%	No Coverage	20%
AMBULATORY SURGICAL FACILITY	80%	No Coverage	20%
ASSISTANT SURGERY	80%	No Coverage	20%
BONE MASS MEASUREMENT	80%	No Coverage	20%
CARDIAC REHABILITATION	80%	No Coverage	20%
CHEMOTHERAPY (provided by licensed professional)	80%	No Coverage	20%
DIABETES MONITORING	80%	No Coverage	20%
DOCTOR VISITS (includes skilled nursing facility, inpatient, office, or home visits)	80%	No Coverage	20%
DURABLE MEDICAL EQUIPMENT AND PROSTHETIC DEVICES	80%	No Coverage	20%

Services	Medicare (up to Medicare-approved amount after Parts A & B deductibles are met)*	Alcoa Medicare Supplement Plan (up to Medicare-approved amount)	MedOption Plan (up to Medicare-approved amount)
EYEGASSES AFTER CATARACT SURGERY (one pair)	80%	20%	No Coverage
HEMODIALYSIS OUTPATIENT HOSPITAL	80%	No Coverage	20%
HOME HEALTH CARE	100%	No Coverage	No Coverage
HOSPICE	80%	20%	No Coverage
IMMUNIZATIONS If administered in a doctor's office or health care facility (excludes immunizations for the sole purpose of travel outside the U.S.)	Limited Coverage	20% for immunizations covered by Medicare; otherwise 80%	No Coverage
INPATIENT HOSPITAL	100% after inpatient deductible and daily copayments	Medicare Part A inpatient deductible and daily copayments (if applicable)	No Coverage
OUTPATIENT HOSPITAL PHYSICAL REHABILITATION	80%	No Coverage	20%
OUTPATIENT MENTAL HEALTH/SUBSTANCE ABUSE TREATMENT	50%	50%	No Coverage
OUTPATIENT SURGERY • Surgeon • Anesthesia • Facility	80% 80% 80%	20% 20% No Coverage	No Coverage No Coverage 20%
PAP SMEAR AND PELVIC EXAM	80%	No Coverage	20%
PHYSICAL OR OCCUPATIONAL THERAPY	80%	No Coverage	20%
RADIATION THERAPY (doctor's fees only) • Inpatient • Outpatient	80% 80%	20% No Coverage	No Coverage 20%
SCREENING FOR: • Prostate cancer (digital rectal exam) • Colorectal cancer	80% 80%	No Coverage No Coverage	20% 20%
SKILLED NURSING FACILITY	100% for first 20 days; copayment required from day 21 through day	100% of copayment for days 21 through 100; then 100% beyond day 100	No Coverage
VISITING NURSE Services of a registered nurse (R.N.) or a licensed practical nurse (L.P.N.) if an R.N. is not available	No Coverage	80%	No Coverage
X-RAY/LABORATORY • Inpatient • Outpatient	80% 80%	20% No Coverage	No Coverage 20%

*** You are responsible for enrolling in Medicare Part B when you are first eligible. When you become eligible for Medicare, Alcoa will pay your claim as if you have Medicare Part B, whether or not you are enrolled.**

A Reminder About Privacy

Alcoa's health care plans comply with Health Insurance Portability and Accountability Act of 1996 (HIPAA) requirements. Details are available in Alcoa's *Notice of Privacy Practices*. This notice explains how certain health information about you and your covered dependents may be used or released by Alcoa's health care plans.

If you wish to review the *Notice of Privacy Practices*, go to <http://resources.hewitt.com/alcoa>.

Click on the "Health, Insurance and Other Benefits" tab, then on the "Benefits Manual" tab. Scroll down the page to "View or Print HIPAA Privacy Notice." Or call **1-888-ALCOA123** (1-888-252-6212) to request a copy by mail.



Plan Revisions You Should Know About (Summary of Material Modifications)

Recent legislative changes required Alcoa to revise certain coverage and/or administrative aspects of your benefits program. Here is a recap of those changes. You should keep a copy of this enrollment guide with your SPD for future reference of these changes:

Beginning April 1, 2009 additional events will enable you to make a change to your coverage. You or an affected eligible dependent may enroll in Alcoa's coverage if eligibility for coverage is lost under Medicaid or the Children's Health Insurance Program (CHIP), or if you become eligible for premium assistance under Medicaid or CHIP. In order to change coverage, you must call 1-888-ALCOA123 (1-888-252-6212) within 60 days of these events.

Effective January 1, 2010, if an eligible dependent child stops being a full-time student (at a college, university or other post-secondary educational institution) due to a medically necessary leave of absence due to a serious illness or injury (as determined by the Plan Administrator), coverage for the child may be continued for up to one year from the date the leave of absence began, or until coverage would otherwise terminate under another provision of the plan (for example, termination of employment of the plan participant), if earlier. Written certification by a treating physician that the dependent child suffers from a serious illness or injury requiring a medically necessary leave must be submitted to the plan.

Effective January 1, 2010, the Mental Health and Substance Abuse coverage in all of the pre-Medicare Choices medical options will change to comply with the Mental Health Parity and Addiction Equity Act of 2008. As such, all benefits for Mental Health and Substance Abuse coverage will be the same as the other medical/surgical coverage provided within the medical options. For example, as a result of this change, there will no longer be a 50-visit limit for in-network mental health and substance abuse office visits or a 20-visit limit for Out-of-Network or Network Not Available office visits.

This booklet is for Alcoa retirees covered under Choices. This enrollment kit is part of the Summary Plan Description (SPD) and contains important information about the Employees' Group Benefits Plan of Alcoa Inc. Please read it carefully and keep it with your SPD for future reference. If there are any differences between this enrollment kit and the plan document, the plan document will govern. Alcoa may change the level of benefits provided under the plan at any time. If a change is made, benefits for claims incurred after the date the change takes effect will be paid according to the revised plan provisions. In other words, once a change is made, there are no rights to benefits based on earlier plan provisions.