



VERIZON BENEFITS AND YOU

Understanding the Value. Making the Right Choices.

Benefits renewal is an important time to identify goals and priorities for yourself and your family, and to make the right healthcare choices for the upcoming year. Verizon spent over \$3 billion on healthcare costs last year. That amounts to nearly \$8,000 for each employee and retiree. While you may not have incurred that large of an expense recently, it's important to know this protection is available when you need it. Likewise, **it's important that you carefully select the medical option that best fits your current situation** so you'll have the right coverage at the right cost when you need it.

To make the best use of your Verizon benefits, you need to take the initiative and do the planning. Whether you're a current employee or retired from the company, this issue of **Verizon Benefits and You** will help you:

- **Assess:** Understand your current and future healthcare needs.
- **Aspire:** Define your goals and develop a framework for your healthcare and other benefits choices.
- **Analyze:** Understand what you can do now to prepare for benefits renewal and learn about Verizon resources available to help you make the best healthcare decisions.
- **Act:** Take the specific steps that will take you toward your healthcare goals.

The rest of this newsletter describes the detailed information you should gather in each area to create your personalized plan and be better prepared for benefits renewal. **I encourage you to take the time to make the most of this benefits renewal opportunity.** Good planning now can pay off in dollars and confidence in your choices for the year ahead.

Sincerely,

Donna Chiffriller
Vice President, Benefits Strategy and Design

1. Assess: What's Your Current Situation?

How you and your family use medical services is a good way to estimate what medical coverage will make the most sense for you in 2006. While there is always the possibility of an unexpected medical need, for most people medical expenses are fairly predictable from year to year.

Assessment Step	What to Consider
Review the services that you and your family used over the last 12 – 18 months	Record the number and type of visits that you and your family members have had and the cost for each visit. Think about routine and preventive visits, unexpected needs, and prescription usage. The explanation of benefits (EOB) you receive from your health plan after your claims are processed are a good place to find information about your 2005 services. Many health plans offer online EOBs – visit your plan's Web site for details.
Consider the medical services you expect to need for the coming year	Are you managing a chronic condition? Or, are you relatively healthy and just planning preventive visits? Your answer to these questions will help determine if your needs might be different for 2006.
Review other coverage available to you; for example, through your spouse or domestic partner's employer	In many cases, a company subsidizes more of the cost for the person who is the employee, so it could make sense for you or your dependents to enroll in coverage under that plan.
Balance your expected healthcare needs for 2006 against the option coverage and cost	Once you have a pretty good sense of your actual medical usage in the past and what might be different for 2006, refer to your health plan comparison chart on <i>Your Benefits Resources™</i> Web site for coverage details about the medical options available to you.

Steps That Can Make a Difference:

Review Expected Out-of-Pocket Costs and Payroll Contribution

Once you understand your current and estimated medical usage, weigh the out-of-pocket costs against the payroll contribution.

Current employees can get online help using the Medical Expense Estimator on *Your Benefits Resources* Web site.

2. Aspire: What Health Goals Do You and Your Family Have?

As you gather data about your healthcare usage, take time to also think about your overall health goals.

Goal-setting can guide your choice of a medical option. Maybe it's time to start a diet and exercise program, which may eliminate the need for one or two prescriptions. Here are some examples:

- Know what preventive health services are appropriate for your age (see page 4 for more on preventive care), and then talk to your doctor about getting them scheduled.
- Improve health through diet and exercise – remember that small steps can make a big difference.

- Manage chronic conditions – be sure you're taking all the steps your doctor recommends.
- Choose providers that are high quality and cost-effective – use HealthGrades® on *Your Benefits Resources* Web site to help you find providers based on physician profiles and quality ratings.
- Quit smoking/using tobacco – you can add years to and improve the quality of your life.
- Comply precisely with physician and prescription drug instructions.

3. Analyze: What Options Best Fit Your Needs and Goals?

Consider how your answers to the questions about your healthcare usage and your healthcare goals match up with the options Verizon offers. Is the option you're currently enrolled in still best for you and your family? Does another option better fit your needs? Read the enclosed insert with specific details about preparing to enroll. You can find personalized information to help you make these comparisons on *Your Benefits Resources*.

4. Act: Enroll by the Deadline!

Now, put your personalized plan into action! Remember, there is no "right" or "wrong" option – it's a matter of what works best for you. After you've enrolled, review your option and make sure you understand it, then use it wisely throughout the year.

Making the Best Choices About Your Other Health and Well-Being Programs

Now go through a similar thought process to guide you in making the best coverage choices for the other benefits that might be available to you; for example: dental, flexible reimbursement plan, supplemental life insurance, accidental death and dismemberment, and long-term disability.*

***Note:** All of the benefits listed here may not be available to you.

Be Sure to Read and Save the Supplement for Benefits Renewal Details

The enclosed supplement outlines specific information you'll need about the benefits renewal process for 2006.

Steps That Can Make a Difference:

Compare Your Options to Make the Best 2006 Choice

You can use the health plan comparison chart on *Your Benefits Resources* to compare healthcare options, including cost and coverage levels. You'll also find important quality scores for each option, helping you to compare factors like preventive care, medical and surgical care, and patient satisfaction.

Take Action to Limit Your Risk of Verizon's Most Frequent Medical Conditions

These eight conditions affect a large number of our employees and accounted for over \$220 million in expenses to Verizon last year**:

- Back pain
- Diabetes
- Hypertension
- Coronary artery disease
- Cancer
- High cholesterol
- Asthma
- Breast cancer

A healthier lifestyle, including diet and exercise, can prevent or mitigate many of these conditions.

**Estimates are based on analysis of self-funded plans, including prescription drugs, for employees only.

Healthcare Spotlight: Focus on Preventive Care

The Agency for Healthcare Research and Quality (a government agency) has found that preventive care could avert hundreds of thousands of illnesses or premature deaths each year in the United States, from conditions such as heart disease, cancer, pneumonia and influenza.

Preventive care starts with the things you do to avoid illness, injury or medical complications – like managing your nutrition, exercising, being tobacco-free, avoiding environmental hazards, and taking safety precautions (like wearing your seat belt).

Preventive care also includes getting the advice you need about diet, exercise, tobacco, alcohol and drug use, stress and accident prevention, and the following services:

- Tests (also called screenings) to check your general health or the health of certain parts of your body.
- Measurements of weight, cholesterol levels and blood pressure.
- Immunizations (“shots”) for both children and adults.
- Special tests at certain times in your life, such as during pregnancy or after age 50.

Recommended Preventive Services

Exam or test	Age (years)					
	18–19	20–29	30–39	40–49	50–59	60+
Physical exam	Every other year			Every year		
Influenza vaccine	Every year					
Blood chemistry panel	With each exam			Every year		
Cholesterol test	Baseline at ages 18–39, or cover with physical exam				Every 5 years	Every year
Prostate-specific antigen					Baseline at age 50, then annually or every other year	
Pap smear	Every 1–2 years					
Mammography			Baseline at age 35	Every 1–2 years		Every year
Chest X ray	Every 5–10 years (appropriate for smokers)					
Electrocardiogram			Baseline at age 35–40	Every year		
Tetanus/diphtheria booster	Every 10 years					
Pneumococcal vaccine						Once at age 65
Measles, mumps and rubella booster	Once in adulthood					

The chart above was compiled from a variety of sources, including the American Medical Association (AMA) and the American Cancer Society.



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