



# 2021 Annual Enrollment Guide

**START HERE!**

Use this guide to learn about your enrollment options for 2021.

Enroll Nov. 2-20







## Welcome to Annual Enrollment

It has been a year like no other. As we make our way through this year's challenges, know that your health and the health of your family is foremost in our thoughts. That's why we've made some changes to help those of you who need it most.

In keeping with our company's mission to make better health possible at home and around the world, our Benefits team is always striving to offer better care options — at the best possible cost — to all our team members.

In 2021, premiums for most benefits are staying the same or going down. In fact, there are only a handful of scenarios where plan premiums go up, and even those are minimal increases. Additionally, if your base pay is less than \$90,000 per year and you enroll in the HSA plan for 2021, we're giving you a contribution to your health savings account. We're also lowering the deductible and out-of-pocket maximum amounts under the HSA Plus plan.

This guide will walk you through what you need to know about your 2021 benefit options, including comprehensive coverage, preventive care, health savings accounts and more.

Our company's mission to make better health possible starts with you. So, read on to find out about your coverage options and how to enroll in plans that are right for you.

Wishing you a healthy and safe 2021.

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# New for 2021



## Flat to Lower Rates for Frontline Workers

Good news! Medical premiums are staying the same or decreasing for most team members at distribution centers and out in the field. Dental and vision premiums remain the same for all team members, and employee life insurance premiums are lower by roughly 10%. Use the Pricing Modeler on **UPoint** between Oct. 19 through Nov. 1 to see how much you'll pay for medical, dental and vision coverage.



## McKesson Health Savings Account Contribution Changes for HSA, HSA Plus and Kaiser Plus Plans

HSA plan members with a base pay of less than \$90,000 a year receive a McKesson health savings account contribution in 2021. HSA Plus and Kaiser Plus plan members with a base pay of \$90,000 or more a year can expect a decrease in their McKesson health savings account contribution. See pp. 12-13.

## Lower HSA Plus Deductible and Out-of-Pocket Maximum Amounts

We've reduced HSA Plus plan deductibles and out-of-pocket maximums across all coverage levels so McKesson can start picking up a portion of your medical costs sooner. See p. 13.

## Changes to CVS Caremark Prescription Drug Coverage

Coinsurance amounts for generic and brand-name medications on the CVS Caremark HSA Preventive Therapy Drug List, including insulin, are increasing. Also, you need to fill specialty medications through CVS Specialty® for your coverage to apply. Learn more on p. 18.



## Over-the-Counter Medications Can Now Be Reimbursed from Your Health Savings Account or Standard Healthcare FSA

Under the CARES Act, over-the-counter medications and products without a prescription purchased to treat personal injuries or sickness can now be reimbursed from your health savings account or standard healthcare flexible spending account (FSA).

# New for 2021

## Increased Health Savings Account Contribution Limits

The IRS has raised health savings account contribution limits for 2021. You can set aside up to:



**\$3,600**

For Employee Only coverage  
(up \$50 from 2020)



**\$7,200**

For Employee + Spouse/Domestic Partner,  
Employee + Child(ren) or Employee + Family coverage  
(up \$100 from 2020)

If you are or will be age 55 or older at any time in 2021, you can make an annual catch-up contribution of up to \$1,000. The amount McKesson contributes to your health savings account applies to the annual contribution limits. Learn more about the health savings account on pp. 20-23.

### Vitality Bronze Status Savings Going Away

Bronze Status savings on your monthly McKesson medical premiums end on Dec. 31, 2020, and don't carry over to 2021. Beginning Jan. 1, 2021, Vitality Silver Status is the new target to unlock your premium savings. Act now to earn Silver Status or higher by Nov. 30 to ensure you start 2021 with medical premium savings. See p. 38 for more about Vitality.



### New Voluntary Insurance Options

You can now enroll in voluntary accident and hospital indemnity insurance during Annual Enrollment. Learn more about these programs on p. 31.

### Read On to Learn About Your Enrollment Options for 2021

Use this guide as your go-to resource for important enrollment information, including plan options, coverage details and step-by-step instructions for how to enroll on **UPoint**.

# Your Options at a Glance

If you're a regular employee scheduled to work 30 or more hours each week, you're eligible\* for McKesson health benefits. Below is a quick summary of the benefits that you can enroll in during Annual Enrollment.



## Medical Plans

In all states except Hawaii:

- HSA
- HSA Plus

In limited locations:

- Kaiser Plus
- Kaiser HMO
- HMSA HMO



## Dental

Cigna Dental plans:

- PPO
- PPO Plus
- DHMO



## Vision

Vision Service Plan (VSP) plans:

- VSP
- VSP Plus



## Flexible Spending Accounts (FSAs)

- HSA-compatible healthcare FSA
- Standard healthcare FSA
- Dependent care FSA



## Supplemental Life and AD&D and LTD

- Supplemental life and accidental death & dismemberment (AD&D)
- Long-term disability (LTD)



## Voluntary Plans

- Accident\*\*
- Hospital Indemnity\*\*

## Health Savings Account

If you enroll in the McKesson HSA, HSA Plus or Kaiser Plus plan, you may also be eligible to enroll in and make before-tax contributions to a health savings account. Learn more on pp. 20-23.

## Part-Time Enrollment Options

If you're a regular, part-time employee scheduled to work 20 to 29.9 hours a week, and have worked at McKesson for at least six months, you may be eligible\* to enroll in the following:

- HSA medical plan
- Dental
- Vision
- Health savings account



\* Only U.S.-based permanent, non-union employees are eligible to enroll in benefits.

\*\* This program is completely voluntary and not sponsored or endorsed by McKesson. Employees pay 100% of the premiums. Please review the insurance materials carefully before enrolling.



# Before Annual Enrollment

Get ready to enroll by checking off the items on this list.

- If you need help with Annual Enrollment, schedule a call with a benefits expert. See p. 8.
- Test your **UPoint** password. **UPoint** has updated its password security requirements. Even if you access it via single-sign-on through Okta, you may be asked to update your password and phone PIN the next time you log in to **UPoint**. Also, don't be surprised if **UPoint** looks a bit different this year. We've made a few changes to the look and feel to enhance your experience. You're still able to access the same resources and enrollment tools.
- Use the Pricing Modeler on **UPoint** Oct. 19 - Nov. 1 to see how much you'll pay for medical, dental and vision coverage in 2021. Keep in mind that these premiums are paid through automatic paycheck deductions. Click on the **Get ready to enroll in your benefits** tile on **UPoint** to access the Pricing Modeler.
- If you haven't already, download the **UPoint Mobile HR®** app from the App Store® or Google Play™ to enroll on the go.
- Review your 2020 healthcare claims. Knowing how much you spent on healthcare this year can help you estimate your 2021 healthcare expenses. You can find your 2020 claims on your current medical plan carrier's website.
- Visit the **Total Rewards Library** to view information about enrollment and your benefits in general. The library is available from any device with an internet connection 24/7 throughout the year, making it a great resource to share with your spouse or domestic partner. Review your options together and make informed decisions as a family.



## Join a Virtual Annual Enrollment Meeting

Join a virtual Annual Enrollment meeting to go over your enrollment options for 2021. Click on the day and time of your choice to register.

**Monday, October 26, 11 am CT**

**Tuesday, October 27, 10 pm CT**

**Wednesday, October 28, 1 pm CT**

**Thursday, October 29, 8 am CT**

**Thursday, October 29, 7 pm CT**

**Monday, November 2, 3 pm CT**

**Monday, November 2, 8 pm CT**

**Thursday, November 5, 9 am CT**

Unable to Attend? No problem. You can find a link to the recorded presentation on the **Total Rewards Library** after Nov. 2.

# During Annual Enrollment

Follow these steps to complete your enrollment.

## Step 1

### Log on to UPoint

Go to [digital.alight.com/mckesson](https://digital.alight.com/mckesson) or click the **Annual Enrollment** banner on the McKNet homepage to log on using your McKesson credentials. Follow the steps to create a new secure **UPoint** password and phone PIN if prompted. You can also call the HR Support Center at **855.466.2547** and **press 1** to enroll by phone.

## Step 2

### Use Enrollment Tools

#### Health Plan Comparison Charts

Get a side-by-side comparison of plan deductibles, coinsurance and out-of-pocket maximums.

#### Medical Expense Estimator

Estimate annual costs under different medical plan options based on your prior year or anticipated healthcare needs.

#### Summaries of Benefits and Coverage

See a summary of what each medical plan covers.

### TIP

Keep in mind that the premiums you see during Annual Enrollment are based on your annual base pay as of Sept. 1, 2020, and your Vitality Status® savings as of Sept. 30, 2020. If you reached Silver Status or higher after that date, your actual 2021 premiums may be lower.

## Step 3

### Choose Your Benefits

- Choose your medical, dental and vision coverage.
- Select **Yes** or **No** in the **Employed Spouse/Domestic Partner Surcharge** field if you plan to enroll your spouse or domestic partner in your McKesson medical plan. If you don't do anything, the answer resets to **Yes** and you pay a \$100 surcharge each month.
- If you enrolled in the HSA, HSA Plus or Kaiser Plus plan, enter an annual contribution amount for your health savings account. Keep in mind that your contribution plus McKesson's contribution can't exceed the annual limit set by the IRS, so set your amount with care.
- If you're enrolling in a health savings account, read through and agree to the Terms & Conditions. If you need assistance, call Fidelity at **888.625.7747**.
- Enter an annual contribution amount for your flexible spending account(s).
- Provide Social Security Numbers for your covered dependents if you haven't already.
- Update your beneficiaries.

You have until **Nov. 20** to make new choices.



## Skip the Hold Music — Schedule an Appointment to Ask Enrollment Questions

If you have questions about your enrollment options and need personalized help, you can schedule an appointment with a benefits expert. Scheduling an appointment is easy. Follow these three steps:

1. Visit **UPoint** at [digital.alight.com/mckesson](https://digital.alight.com/mckesson) beginning Oct. 26.
2. Click the **Get ready to enroll in your benefits** tile.
3. Click **Schedule an appointment** to choose an available date and time.

A benefits expert will call you at the time you select to answer your enrollment questions.

Appointments will be available Nov. 2 through Nov. 19, the day before Annual Enrollment ends. If you need assistance on Nov. 20, the final day of Annual Enrollment, the Benefits Center will be available from 7 am to 6 pm CT to take calls, but those will be answered on a first-come, first-served basis. Schedule an appointment to avoid waiting on hold.



# During Annual Enrollment

## Step 4

Select “Complete Enrollment” or “Quit”

### **Complete Enrollment — to save your choices and finish enrolling.**

- Print the “Your Enrollment is Confirmed” page. It has your confirmation number as a reference that you can keep for your records.
- If you gave your email address on **UPoint**, you get a confirmation email with a list of all your confirmed elections.
- If you need to provide Evidence of Insurability (EOI), a message and a link will appear under your “Required Follow-Ups” on the “Your Enrollment is Confirmed” page. Click the link provided to submit EOI.

### **Quit — to cancel your choices.**

- You see a “Canceled successfully” message

Complete enrollment by 11:59 pm CT on Nov. 20. Your coverage is effective Jan. 1, 2021.

## Step 5

### **Take the Survey**

We want to hear about your Annual Enrollment experience. The more you’re willing to share with us, the better we’re able to plan for future enrollments. Plus when you provide your feedback, you’re entered to win one of three Fitbits.

This year the link to the survey is available immediately after you complete your enrollment on **UPoint**. Follow these steps to complete the survey:

1. Click the survey link on the Completed Successfully page and provide your eID or six-digit employee ID.
2. Tell us about your experience. We love to hear from you!
3. Submit the survey by Nov. 20 at 11:59 pm CT.

Three Fitbit winners will be selected and notified after the survey closes. Thank you for your time and feedback!

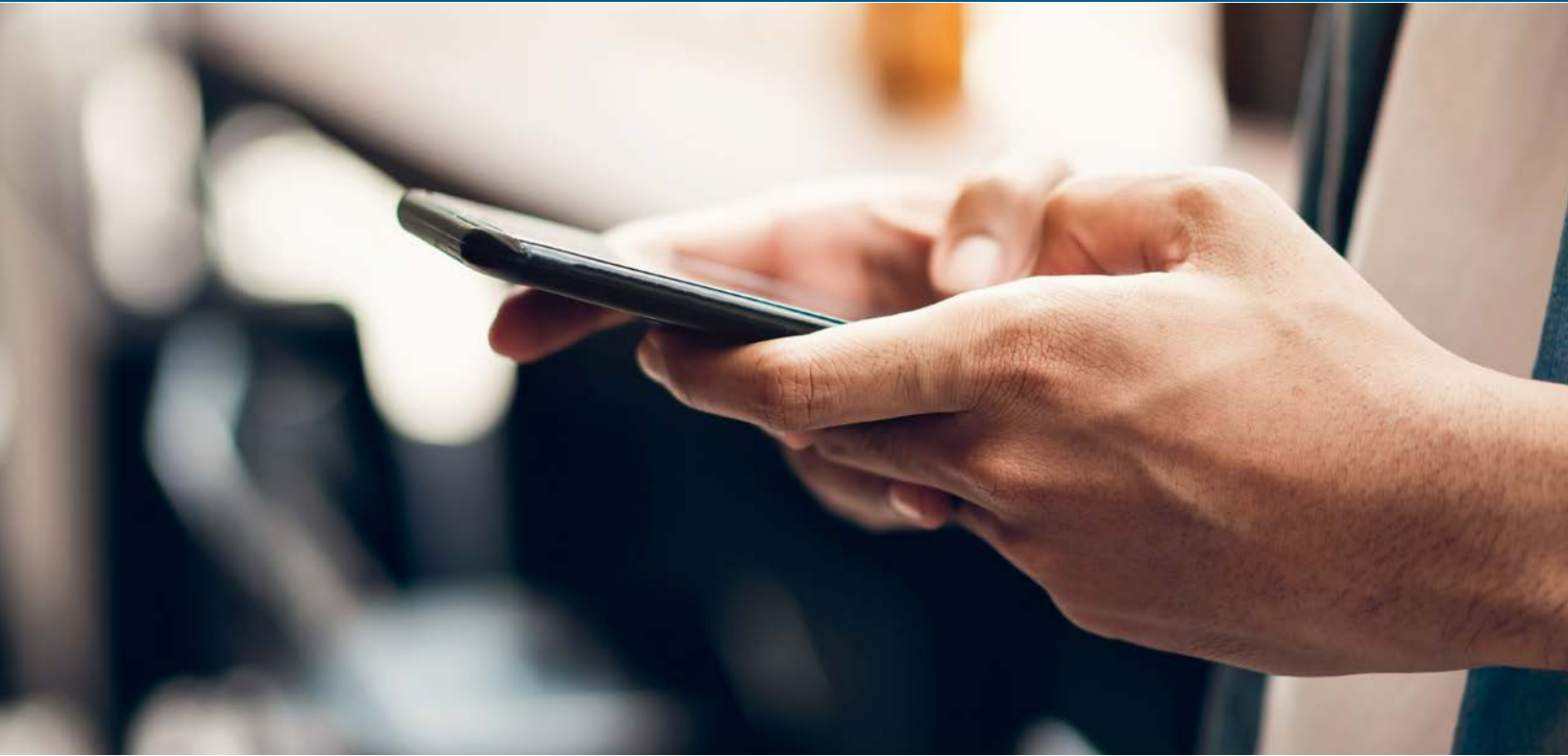
## Not around during Annual Enrollment?

If you’re on a leave of absence (LOA) or on vacation during Annual Enrollment, your steps are the same. You can enroll on **UPoint** from anywhere with internet access, call the HR Support Center to enroll by phone or enroll on the UPoint Mobile HR app.

If you’re on leave, you can only enroll in medical, dental and vision coverage during Annual Enrollment. When you come back from leave, give the HR Support Center a call within 31 days of your return to enroll in or make changes to other benefits.



# Default Enrollment



## What happens if I don't do anything during Annual Enrollment?



You're automatically enrolled in your current medical plan with the McKesson carrier for the state you live in. If you moved to a different state in 2020, your medical plan carrier may change for 2021.



Your health savings account contribution amount resets to \$0 on Jan. 1. Although you can start, stop or change your contribution amount anytime throughout the year on **UPoint**, we encourage you to set an amount during Annual Enrollment so you can save for the entire year in 2021. The sooner you start saving, the more time you have to accumulate enough money to help cover unexpected expenses. See pp. 20-23.



The Employed Spouse/Domestic Partner Surcharge field on **UPoint** resets to a **Yes** answer and you pay a \$100 monthly surcharge on your McKesson medical premiums. See pp. 32-33.



If you're currently enrolled in the HSA, HSA Plus or Kaiser Plus plan, are eligible for a McKesson contribution in your health savings account and haven't activated your account, you won't get McKesson's contribution.



You're automatically enrolled in your current dental, vision, life and accidental death & dismemberment, and short-term disability (STD) coverage.



You won't be enrolled in a flexible spending account for 2021.



Your beneficiaries stay the same.

# Medical Plans



From comprehensive coverage to preventive care, McKesson medical plans offer the support you need to maintain or improve your health while saving money for unexpected and unavoidable healthcare expenses. It's important to understand what the plans offer you so you can take an active role in your healthcare. Let's look at an overview of your primary medical plans.

## HSA and HSA Plus Plans

### Plan Features

- Both plans offer comprehensive coverage for medical care and prescription medications.
- You can visit any doctor you like. You get the best value when you use in-network providers because they offer discounted rates on services. That means you're usually charged less than someone without insurance.
- You pay a deductible for eligible expenses before coinsurance kicks in.
- After meeting your deductible, you pay coinsurance. When coinsurance kicks in:
  - You pay 20% and the plan pays 80% for in-network care or services.
  - You pay 40% and the plan pays 60% for eligible out-of-network medical care or services. Out-of-network pharmacy expenses aren't covered.
  - You pay 100% of the difference in cost between out-of-network provider charges and eligible charges.
- Once you meet the out-of-pocket maximum, the plan pays 100% of eligible claims for the rest of the year. Out-of-pocket maximums limit how much you pay for medical and medication expenses per year. The out-of-pocket maximum includes your deductible amount.
- Both plans come with the opportunity to contribute to a health savings account to help you pay eligible medical, medication, dental and vision expenses.
- Both plans also come with a McKesson contribution to your health savings account.\* See pp. 12-13.

\* HSA plan members with an annual base pay of \$90,000 or more do not receive a McKesson health savings account contribution.

### Be a Super Saver

Choose the right option for care. Save emergency room visits for true emergencies and keep costs down by using the nurse advice line, retail walk-in clinics, telemedicine, your doctor's office and urgent care for non-emergency concerns. Learn more about Best Doctors, the nurse advice line, telemedicine and other carrier resources you can use at **Total Rewards Library > Additional Healthcare Benefits.**



# Medical Plans

## HSA Plan

	Deductible	Coinsurance		Total Out-of-Pocket Maximum	
		In-Network	Out-of-Network	In-Network**	Out-of-Network
		You pay	You pay		
EE*	\$3,500	20%	40%	\$6,250	\$9,000
EE + SP/DP* or Child(ren)	\$5,250	20%	40%	\$9,375	\$13,500
EE + Family	\$7,000	20%	40%	\$12,500	\$18,000

## Health Savings Account Contributions

	Annual Base Pay Less than \$90,000		Annual Base Pay Equal to or More than \$90,000	
	Annual McKesson Contribution	Annual Employee Contribution***	Annual McKesson Contribution	Annual Employee Contribution***
EE*	\$500	\$0-\$3,100	\$0	\$0-\$3,600
EE + SP/DP* or Child(ren)	\$750	\$0-\$6,450	\$0	\$0-\$7,200
EE + Family	\$1,000	\$0-\$6,200	\$0	\$0-\$7,200

\* EE = employee. SP/DP = spouse/domestic partner.

\*\* If you're enrolled in EE + SP/DP, EE + Child(ren) or EE + Family coverage, your plan has an in-network out-of-pocket maximum of \$6,900 per individual. This means no one covered by your plan pays more than \$6,900 a year for in-network services.

\*\*\* Putting money in a health savings account is voluntary. You choose how much to put in, up to the annual IRS limit shown in the chart. You can put in up to 1/12 of the annual limit each month. If you are or will be age 55 or older at any time in 2021, you can make an annual catch-up contribution of up to \$1,000 (\$83.33 per month). Avoid tax penalties by making sure you don't put more in your account than the IRS monthly or annual limit. McKesson and Fidelity don't monitor your contributions for you. For more information on health savings accounts, go to [Total Rewards Library > Annual Enrollment > Health Savings Account FAQs](#).



# Medical Plans

## HSA Plus Plan

	Deductible	Coinsurance		Total Out-of-Pocket Maximum	
		In-Network	Out-of-Network	In-Network**	Out-of-Network
		You pay	You pay		
EE*	\$2,000	20%	40%	\$4,600	\$7,100
EE + SP/DP* or Child(ren)	\$3,000	20%	40%	\$6,900	\$10,600
EE + Family	\$4,000	20%	40%	\$9,200	\$14,200

## Health Savings Account Contributions

	Annual Base Pay Less than \$90,000		Annual Base Pay Equal to or More than \$90,000	
	Annual McKesson Contribution	Annual Employee Contribution***	Annual McKesson Contribution	Annual Employee Contribution***
EE*	\$750	\$0-\$2,850	\$500	\$0-\$3,100
EE + SP/DP* or Child(ren)	\$1,100	\$0-\$6,100	\$750	\$0-\$6,450
EE + Family	\$1,500	\$0-\$5,700	\$1,000	\$0-\$6,200

\* EE = employee. SP/DP = spouse/domestic partner.

\*\* If you're enrolled in EE + SP/DP, EE + Child(ren) or EE + Family coverage, your plan has an in-network out-of-pocket maximum of \$6,900 per individual. This means no one covered by your plan pays more than \$6,900 a year for in-network services.

\*\*\* Putting money in a health savings account is voluntary. You choose how much to put in, up to the annual IRS limit shown in the chart. You can put in up to 1/12 of the annual limit each month. If you are or will be age 55 or older at any time in 2021, you can make an annual catch-up contribution of up to \$1,000 (\$83.33 per month). Avoid tax penalties by making sure you don't put more in your account than the IRS monthly or annual limit. McKesson and Fidelity don't monitor your contributions for you. For more information on health savings accounts, go to [Total Rewards Library > Annual Enrollment > Health Savings Account FAQs](#).



# Medical Plans

## Should I Choose the HSA or the HSA Plus Plan?

You may be wondering about the difference between the HSA and HSA Plus plans. After all, they both provide comprehensive coverage and access to a health savings account. But there are three important factors to keep in mind when deciding which plan is right for you.

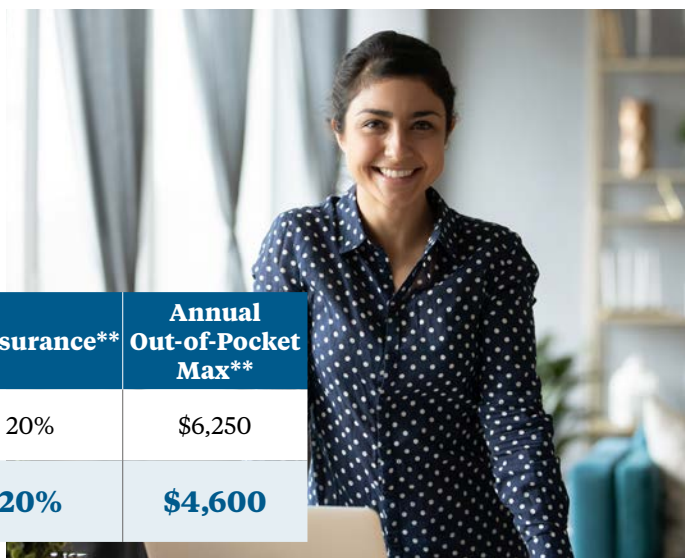
**Monthly premium** — the amount deducted from your paycheck each month before taxes

**Deductible** — the amount you pay out of pocket for eligible expenses before coinsurance kicks in

**Out-of-pocket maximum** — the most you have to pay for eligible care in a single year

## Meet Rose

- Employee Only coverage
- Vitality Platinum Status savings
- Annual base pay of \$48,000
- \$2,500 in medical bills



Plan	Annual Premium*	McKesson HSA Contribution	Annual Deductible	Coinsurance**	Annual Out-of-Pocket Max**
HSA	\$0 (\$0/month)	\$500	\$3,500	20%	\$6,250
<b>HSA Plus</b>	<b>\$216</b> (\$18/month)	<b>\$750</b>	<b>\$2,000</b>	<b>20%</b>	<b>\$4,600</b>

Rose typically spends about \$2,500 a year in medical and/or medication expenses and uses this amount to estimate her out-of-pocket costs for 2021.

The formula Rose uses to calculate her **total out-of-pocket cost** for the year is:

**Estimated Out-of-Pocket Costs** (which are the plan deductible and any coinsurance up to the out-of-pocket maximum) + **Annual Premium - McKesson's Health Savings Account Contribution.**

In this example, Rose would pay \$2,000 in total out-of-pocket costs under the HSA plan and \$1,566 under the HSA Plus plan. That's why the HSA Plus plan is the better choice for her.

\* For example purposes only. Premiums vary by pay, Vitality Status and coverage level.

\*\* Based on receiving in-network care. Coinsurance and out-of-pocket maximum amounts are higher out of network.

## The Math

HSA plan	
<b>\$2,500</b>	<b>Estimated Out-of-Pocket Costs</b> Rose doesn't meet the \$3,500 deductible, so she pays all \$2,500 out of pocket with no help from coinsurance.
<b>+ \$0</b>	<b>Annual Premium</b>
<b>- \$500</b>	<b>McKesson's Health Savings Account Contribution</b>
<b>= \$2,000</b>	<b>Total</b>

HSA Plus plan	
<b>\$2,100</b>	<b>Estimated Out-of-Pocket Costs</b> Rose's \$2,500 in medical expenses breaks down to: \$2,000 out of pocket to meet the deductible plus 20% coinsurance on the remaining \$500, which equals \$100.
<b>+ \$216</b>	<b>Annual Premium</b>
<b>- \$750</b>	<b>McKesson's Health Savings Account Contribution</b>
<b>= \$1,566</b>	<b>Total</b>

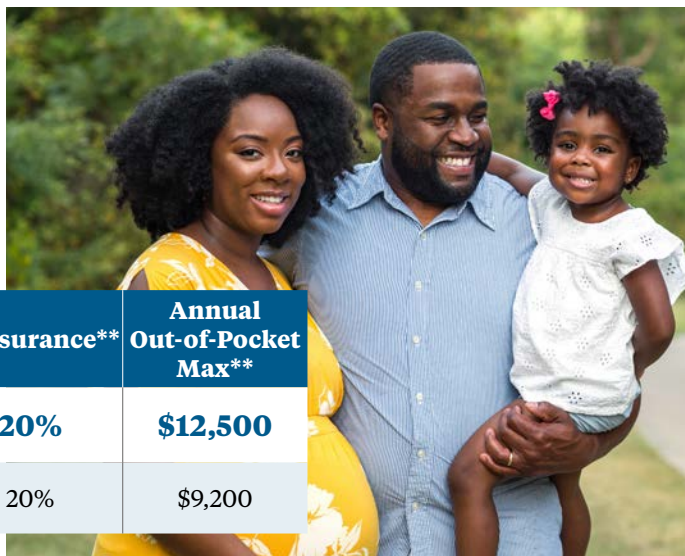


# Medical Plans



## Meet Karl

- Family coverage
- Vitality Silver Status savings
- Annual base pay of \$95,000
- \$7,000 expected and \$3,000 unexpected medical bills



Plan	Annual Premium*	McKesson HSA Contribution	Annual Deductible	Coinsurance**	Annual Out-of-Pocket Max**
✓ HSA	<b>\$2,088</b> (\$174/month)	<b>\$0</b>	<b>\$7,000</b>	<b>20%</b>	<b>\$12,500</b>
HSA Plus	\$6,384 (\$532/month)	\$1,000	\$4,000	20%	\$9,200

Karl and his wife, Stephanie, have a daughter and another child on the way. Karl is expecting about \$7,000 in medical bills related to the delivery of the new baby. And he decides to plan for another \$3,000 in medical bills and/or pharmacy costs for anything else that might pop up during the year.

Karl calculates how much it will cost him out of pocket to cover these expenses under the HSA and HSA Plus plans using the same formula that Rose uses.

Under the HSA plan, Karl's total expected out-of-pocket costs come to \$9,688 compared to \$10,584 under the HSA Plus plan. So for Karl, the HSA plan is the more cost-effective option.

\* For example purposes only. Premiums vary by pay, Vitality Status and coverage level.

\*\* Based on receiving in-network care. Coinsurance and out-of-pocket maximum amounts are higher out of network.

## The Math

HSA plan	
<b>\$7,600</b>	<b>Estimated Out-of-Pocket Costs</b> Karl's \$10,000 in medical expenses breaks down to: \$7,000 out of pocket to meet the \$7,000 deductible plus 20% coinsurance on the remaining \$3,000, which equals \$600.
<b>+ \$2,088</b>	<b>Annual Premium</b>
<b>- \$0</b>	<b>McKesson's Health Savings Account Contribution</b>
<b>= \$9,688</b>	<b>Total</b>

HSA Plus plan	
<b>\$5,200</b>	<b>Estimated Out-of-Pocket Costs</b> Karl's \$10,000 in medical expenses breaks down to: \$4,000 out of pocket to meet the \$4,000 deductible plus 20% coinsurance on the remaining \$6,000, which equals \$1,200.
<b>+ \$6,384</b>	<b>Annual Premium</b>
<b>- \$1,000</b>	<b>McKesson's Health Savings Account Contribution</b>
<b>= \$10,584</b>	<b>Total</b>

# Medical Plans

## Kaiser Plus Plan

The Kaiser Plus plan is a high-deductible HMO plan available in California, Colorado, Georgia, the Mid-Atlantic states (Maryland, Virginia, Washington, DC), Oregon and Southwest Washington. This plan gives you the opportunity to contribute to a health savings account and works like this:



The plan covers 100% of your preventive care, including certain prescription medications. You pay the full cost of non-preventive care out of pocket until you meet the annual deductible of:

- \$2,125 Employee Only
- \$4,250 Employee + Spouse/Domestic Partner or Employee + Child(ren)
- \$4,250 Employee + Family



You pay coinsurance after meeting your deductible.



You pay coinsurance until meeting your out-of-pocket maximum. Once you meet the out-of-pocket maximum, the plan pays 100% of your eligible expenses for the rest of the year.



McKesson contributes to your health savings account. The contribution amount is the same as for the HSA Plus plan. New this year: if your annual base pay is \$90,000 or more, McKesson's contribution to your health savings account is reduced. See p. 22.



Kaiser Permanente is your network provider. In most cases, you don't have coverage if you visit out-of-network providers. Emergency and urgent care is covered everywhere in the world.



Kaiser Permanente administers the plan's prescription medication coverage. Go to <https://my.kp.org/mckessoncorp> > **Understanding your costs** for more information.

### Embedded Annual Deductible for the Kaiser Plus Plan

If you're enrolled in the Kaiser Plus plan with Employee + Spouse/Domestic Partner, Employee + Child(ren) or Employee + Family coverage, you have an embedded individual annual deductible of \$2,800 in 2021. This means if you or a covered family member meet the \$2,800 individual deductible, you begin paying coinsurance for covered services for that person even if the total annual deductible hasn't been met. See the plan's Summary of Benefits and Coverage (SBC) for details. You can find it on the **Plan Documents** page on the Total Rewards Library.

The Kaiser Plus plan is listed as the Kaiser HMO Plus HSA plan. Choose this option if you want to enroll in the Kaiser Plus plan.

## Kaiser HMO and HMSA HMO Plans

If you live in Hawaii, you can choose between two HMO plans — the Kaiser HMO and the HMSA HMO. With these plans, you:



Have a copay (a fixed dollar amount) for office visits and a coinsurance amount for certain services.



Have comprehensive prescription medication coverage.



Pay higher premiums in exchange for lower out-of-pocket costs.

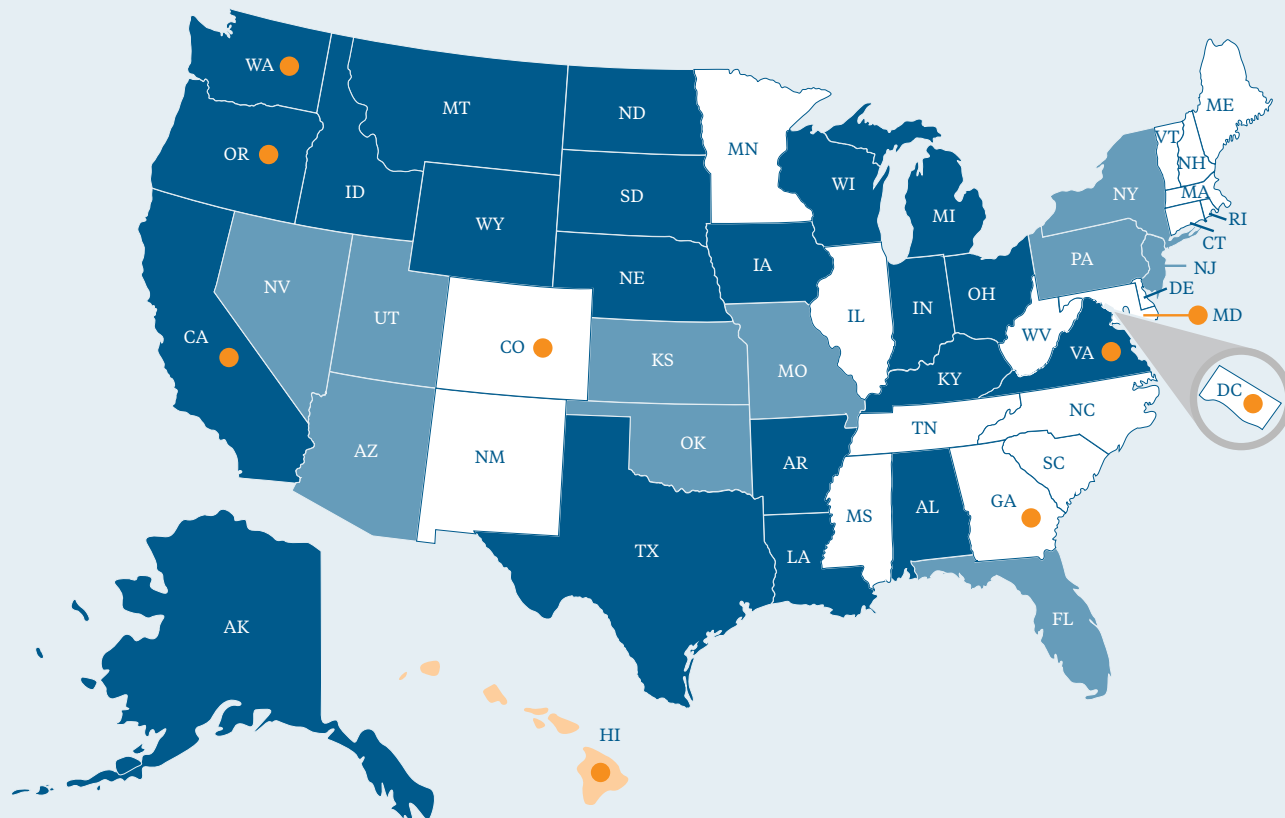


Don't have coverage for out-of-network providers, except in emergencies.

# Medical Plans

## McKesson Medical Plan Carriers by State

Check the map to see the carrier for the state you live in.



■ Aetna ■ Anthem □ Cigna ● Kaiser Permanente\* ■ HMSA

\* In the state of Washington, the Kaiser Plus plan is only available in Southwest Washington.



## Support for Chronic Conditions

If you or a family member enrolled in your medical plan is managing a chronic condition, such as asthma, diabetes, heart disease, high blood pressure or high cholesterol, consider working with a condition support manager. Your support manager can help you understand your condition, answer questions and follow your doctor's treatment plan. Find your condition support manager in the chart below.

Carrier	Condition Support Manager	Phone Number
Aetna	Aetna In Touch Care	877.286.3900
Anthem	Condition Care	866.820.0763
Cigna	Personal Health Team	800.244.6224

Kaiser Permanente and HMSA members — call the number on your medical ID card to learn about chronic condition support available to you.



# Prescription Drug Coverage



## HSA and HSA Plus Members

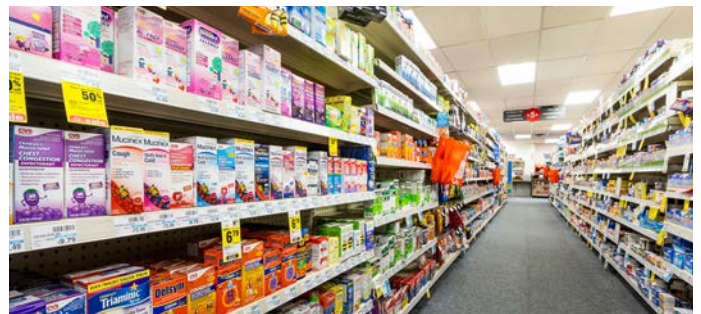
If you're enrolled in the HSA or HSA Plus plan, CVS Caremark administers your prescription drug coverage. Your coverage is only accepted at pharmacies in the CVS Caremark network, which includes thousands of retail chain and independent pharmacy locations, such as Health Mart®. Please note that you need to fill specialty medications through CVS Specialty for your coverage to apply. Pharmacies in the CVS Caremark network offer discounted rates on your medications. This means you're usually charged less than someone without insurance.

### Before meeting your deductible:

- You pay the cost for prescription medications until you meet your medical plan's annual deductible.
- The cost you pay at an in-network pharmacy is discounted.
- When your prescription medication is considered a preventive medication and is on either the Affordable Care Act (ACA) List or on the CVS Caremark HSA Preventive Therapy Drug List (see p. 19), the plan shares the cost with you even if you haven't met your deductible.
- Eligible out-of-pocket expenses for prescription medications count toward your annual deductible.

### After meeting your deductible:

- You and the plan start sharing the cost for prescription medications. This is the amount you pay for coinsurance.



On Jan. 1, CVS Specialty becomes the exclusive dispenser of specialty medications covered under the HSA and HSA Plus plans. This change means for coverage to apply, you must get all specialty medications filled through CVS Specialty. Register for an account and learn how to move your prescriptions at [CVSpecialty.com](https://www.cvspecialty.com).

# Prescription Drug Coverage

## Breakdown of What You and the Plan Pay

The chart below shows how you and the plan share the cost of covered prescription medications.

		Before Deductible		After Deductible	
		You pay	Plan pays	You pay	Plan pays
Prescription Medications on the ACA List	All medications	0%	100%	0%	100%
Prescription Medications on the CVS Caremark HSA Preventive Therapy Drug List	Generic	10%	90%	10%	90%
	Insulin	10%	90%	10%	90%
	Preferred brand-name	20%	80%	20%	80%
	Non-preferred brand-name	40%	60%	40%	60%
Covered, Non-Preventive Prescription Medications	Generic (other than insulin)	100%	0%	20%	80%
	Preferred brand-name (other than insulin)	100%	0%	20%	80%
	Non-preferred brand-name (other than insulin)	100%	0%	40%	60%

### FYI

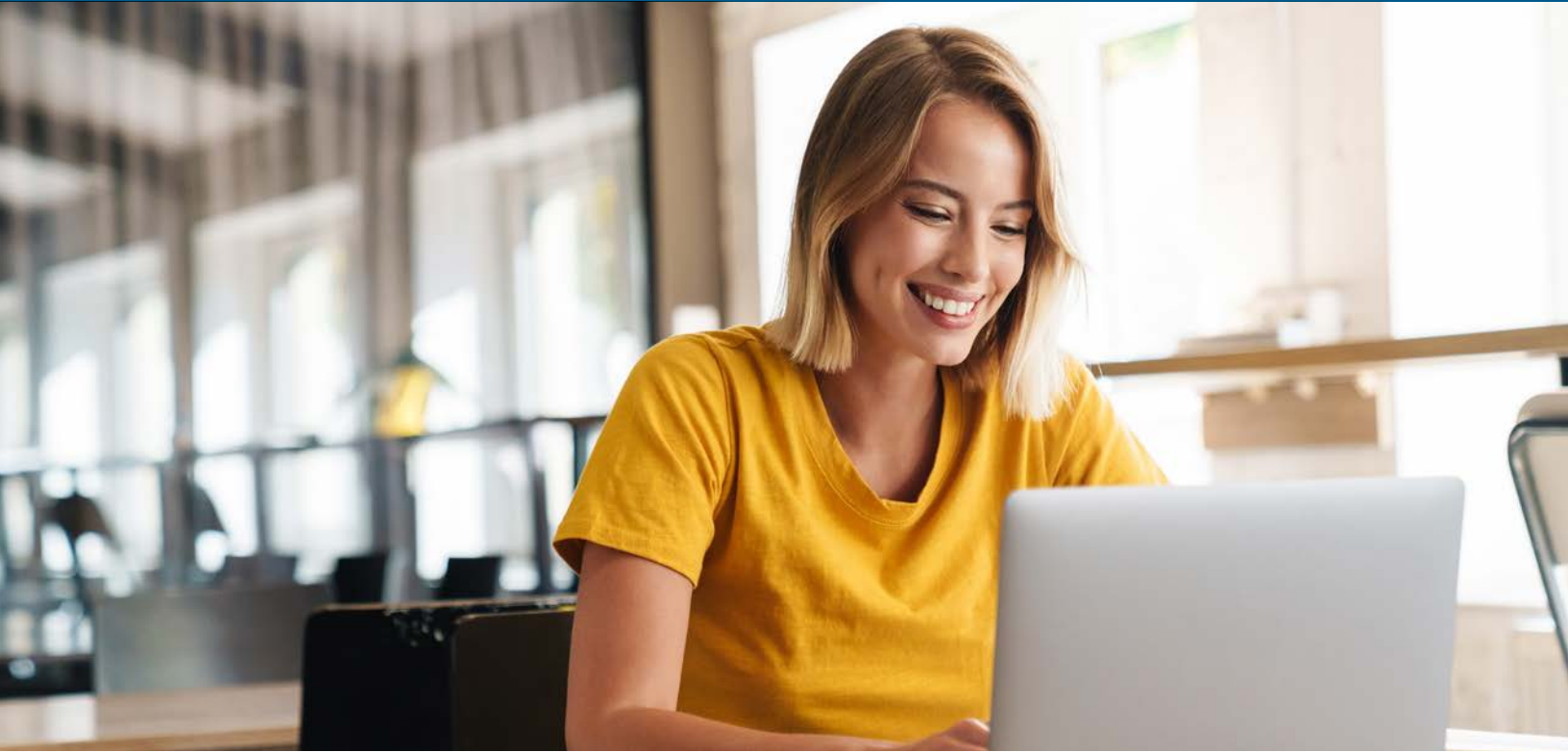
- When you haven't met your deductible, health savings account dollars you use to pay for eligible out-of-pocket prescription medication expenses count toward your deductible.
- After meeting your deductible, any health savings account dollars you use to pay for eligible prescription medications count toward your out-of-pocket maximum.
- After meeting your out-of-pocket maximum, the plan pays 100% of the cost of covered prescription medications.



### Be a Super Saver

Use the **Check Drug Cost** tool on the CVS Caremark website or app to find the best price on your medication. Go to [www.caremark.com](http://www.caremark.com) to get started.

# Health Savings Accounts



A health savings account is a personal account you can use to save money for eligible medical, medication, dental and vision expenses. If you enroll in the HSA, HSA Plus or Kaiser Plus plan, you may be eligible for a health savings account. Here are the top five reasons to put money in a health savings account.

1. You call the shots when it comes to spending, investing or saving the money in your health savings account.
2. There's no deadline to spend your money. The money in your account carries over each year and it's yours to keep whether you change medical plans, leave McKesson or retire.
3. You get three tax breaks.



### First break

You may pay less taxes by lowering your taxable income with before-tax or tax-deductible contributions to your account.\*



### Second break

You aren't taxed on withdrawals you make to pay eligible medical, medication, dental and vision expenses.



### Third break

Your account's interest, dividends and capital gains are exempt from federal taxes and state taxes, unless you live in one of the few states that tax them.\*\*

4. McKesson contributes to your account each year if you enroll in the HSA Plus or Kaiser Plus plan. The contribution varies based on your annual base pay and coverage tier. In 2021, McKesson contributes to your account if you enroll in the HSA plan and your annual base pay is less than \$90,000. See p. 22.
5. You can invest the money in your account to help meet long-term financial goals and build a nest egg for healthcare expenses in retirement.

\* As of 2020, California and New Jersey tax the money you and McKesson put in a health savings account. If you live in one of these states, you may need to pay state income tax on the money you and McKesson contribute to your health savings account.

\*\* As of 2020, California, New Hampshire, New Jersey and Tennessee tax health savings account interest, dividends and capital gains. New Hampshire and Tennessee only tax dividend and interest earnings after a certain dollar amount, depending on whether you're filing individually or jointly. If you live in one of these states talk to your tax advisor.





## How to Manage Your Health Savings Account

Contributing to a health savings account can help you pay current medical expenses and even help you grow a healthcare nest egg for expenses in retirement. Here's what you need to do to keep saving year after year.

### 1. **Set a Contribution Amount on UPoint (Each Year)**

After choosing the HSA, HSA Plus or Kaiser Plus plan, decide how much to save in your account for the year. The contribution amount you set is split equally between your pay periods and deducted before taxes from your paychecks throughout the year. Remember, any McKesson contributions to your health savings account apply toward the IRS annual limit. If you don't set a contribution amount during Annual Enrollment, your contribution automatically defaults to \$0.

Although you can start, stop or change your contribution amount anytime throughout the year on **UPoint**, it's a good idea to set it during Annual Enrollment so you can stretch out your contributions over the entire year.

### 2. **Manage Your Account on Fidelity's Website (Year-round)**

Log on to [www.netbenefits.com](http://www.netbenefits.com) to see your current balance, claims, investment returns and more.



# Health Savings Accounts



## IRS Contribution Limits

The IRS limits how much you can set aside in your health savings account per month and per year. Keep in mind that any contribution McKesson makes to your health savings account also counts toward the IRS limits below.

### HSA Plan

	Annual Base Pay Less than \$90,000			Annual Base Pay Equal to or More than \$90,000		
	McKesson Annual Contribution	Your Monthly Contribution Limit**	Your Annual Contribution Limit**	McKesson Annual Contribution	Your Monthly Contribution Limit**	Your Annual Contribution Limit**
EE*	\$500	\$258.33	\$3,099.96	\$0	\$300	\$3,600
EE + SP/ DP* or Child(ren)	\$750	\$537.50	\$6,450	\$0	\$600	\$7,200
Family	\$1,000	\$516.66	\$6,199.92	\$0	\$600	\$7,200

### HSA Plus and Kaiser Plus Plans

	Annual Base Pay Less than \$90,000			Annual Base Pay Equal to or More than \$90,000		
	McKesson Annual Contribution	Your Monthly Contribution Limit**	Your Annual Contribution Limit**	McKesson Annual Contribution	Your Monthly Contribution Limit**	Your Annual Contribution Limit**
EE*	\$750	\$237.50	\$2,850	\$500	\$258.33	\$3,099.96
EE + SP/ DP* or Child(ren)	\$1,100	\$508.33	\$6,099.96	\$750	\$537.50	\$6,450
Family	\$1,500	\$475	\$5,700	\$1,000	\$516.66	\$6,199.92

\* EE = employee. SP/DP = spouse/domestic partner.

\*\* Putting money in a health savings account is voluntary. You choose how much to put in, up to the annual IRS limit shown in the chart. You can put in up to 1/12 of the annual limit each month. If you are or will be age 55 or older at any time in 2021, you can make an annual catch-up contribution of up to \$1,000 (\$83.33 per month). Avoid tax penalties by making sure you don't put more in your account than the IRS monthly or annual limit. McKesson and Fidelity don't monitor your contributions for you.

Read IRS Publication 969 and Form 8889 at [www.irs.gov/pub/irs-pdf/p969.pdf](http://www.irs.gov/pub/irs-pdf/p969.pdf) for more information about health savings account limits or contact your tax advisor. You can also visit [www.mckesson.com/totalrewardslibrary](http://www.mckesson.com/totalrewardslibrary) > **Annual Enrollment** > **Health Savings Account FAQs**.

# Health Savings Accounts



## Don't Forget to Activate Your Account If You Haven't Already

If you've never activated your health savings account before, you must take these two steps:

**1. Agree to the Health Savings Account Terms & Conditions on UPoint**

When enrolling on **UPoint**, you see a Health Savings Account page. Set your annual contribution amount and agree to the Terms & Conditions. You aren't required to set a contribution amount during Annual Enrollment, but to open your health savings account for future contributions, or to get McKesson's contribution, you must agree to the Terms & Conditions.

**2. Activate Your Account (One Time Only)**

Activate your health savings account on Fidelity's website at [www.netbenefits.com](http://www.netbenefits.com). If you agreed to the Terms & Conditions on **UPoint**, you see an **Activate** tile. Click it to activate your account. If you couldn't agree to the Terms & Conditions, you see an **Open** tile. You must activate your account by Dec. 31, 2020 to receive McKesson's contribution to your account the first week in Jan. March 31, 2021, is the last day you can activate your account and get McKesson's contribution in 2021.

Expenses incurred before your health savings account is funded aren't eligible for reimbursement from your health savings account. Follow steps one and two above to ensure your account is opened and available for use.



# Flexible Spending Accounts

Flexible spending accounts (FSAs) let you use before-tax dollars to pay eligible expenses. There are three kinds of FSAs: an HSA-compatible healthcare FSA, a standard healthcare FSA and a dependent care FSA. You fund the accounts with before-tax paycheck deductions throughout the year. See which accounts are available to you and how you can use them in the chart below.

	HSA-Compatible Healthcare FSA	Standard Healthcare FSA	Dependent Care FSA
<b>Eligible expenses</b>	Dental and vision only, including deductible and coinsurance amounts	Medical, medication, dental and vision, including deductible and coinsurance amounts	Childcare and elder care
<b>Available to</b>	<ul style="list-style-type: none"> <li>• HSA plan members</li> <li>• HSA Plus plan members</li> <li>• Kaiser Plus plan members</li> </ul>	<ul style="list-style-type: none"> <li>• Kaiser HMO and HMSA HMO plan members</li> <li>• Benefits-eligible employees who waive medical coverage</li> </ul>	All benefits-eligible employees
<b>Annual contribution amounts</b>	\$100 - \$2,750	\$100 - \$2,750	\$100 - \$5,000
<b>Your money is available to use</b>	Jan. 1	Jan. 1	As your account is funded with the deductions from your paycheck
<b>Why choose this account</b>	<ul style="list-style-type: none"> <li>• You want to use before-tax dollars to pay for eligible dental and vision expenses right away.</li> <li>• You want to save the money in your health savings account.</li> <li>• You want to lower your taxable income.</li> </ul>	<ul style="list-style-type: none"> <li>• You want to use before-tax dollars to pay for eligible medical, dental and vision expenses.</li> <li>• You want to lower your taxable income.</li> </ul>	<ul style="list-style-type: none"> <li>• You want to use before-tax dollars to pay for eligible childcare and elder care expenses.</li> <li>• You want to lower your taxable income.</li> </ul>



# Flexible Spending Accounts

FSA's are use-it-or-lose-it accounts, which means there's a deadline to spend your funds. This is why it's important to carefully estimate how much you want to contribute to your FSA for 2021 so you don't over-fund it.

The clue to remembering how to use this account is in its name — it's a flexible **spending** account.

## Healthcare FSA Deadlines

**Dec. 31, 2021\*** is the last day to spend your 2021 dollars in an HSA-compatible healthcare FSA or standard healthcare FSA.

**March 31, 2022\*** is the last day to submit your 2021 HSA-compatible healthcare FSA or standard healthcare FSA claims to HealthEquity.

## Dependent Care FSA Deadlines

**March 15, 2022\*** is the last day to spend your 2021 dependent care FSA dollars.

**April 30, 2022\*** is the last day to submit 2021 dependent care FSA claims to HealthEquity.



## Make the Most of an FSA

Follow these steps to make the most of any FSA:

1. Carefully consider your healthcare and dependent care needs before entering an FSA contribution amount on **UPoint**. If you don't spend the money by the end of the year, you lose it.
2. Pay eligible expenses with your FSA card, by filing a claim for reimbursement on the HealthEquity website or using the EZ Receipts® mobile app.
3. Check the **list of eligible FSA expenses**. You can now use your **standard healthcare FSA** to purchase certain over-the-counter medicines, like aspirin and other pain medications, allergy medication, etc., without a doctor's prescription.

If you enroll in a plan with a health savings account for 2021, you can't contribute to a standard healthcare FSA due to the tax advantages of a health savings account. However, you're eligible to contribute to an HSA-compatible healthcare FSA for dental and vision expenses only.

You don't need to be enrolled in a McKesson medical plan to enroll in a standard healthcare or dependent care FSA.

## TIP

If you enroll in a standard healthcare FSA for 2021, have a qualified status change mid-year and then enroll in a McKesson medical plan with a health savings account, your standard healthcare FSA automatically converts to an HSA-compatible healthcare FSA.

\* Deadlines subject to change by the IRS (e.g., due to COVID-19).

# Flexible Spending Accounts

## Why have a health savings account and an HSA-compatible healthcare FSA?

Having both accounts means you can set aside more before-tax money from your paycheck each month and lower your taxable income. It also means more flexibility for paying eligible dental and vision expenses.

An HSA-compatible healthcare FSA is limited to covering eligible dental and vision expenses. For example, you can plan to spend your FSA dollars on items such as braces and contact lenses, while saving the money in your health savings account.

But remember! FSAs are spending accounts and subject to the use-it-or-lose-it rule. For that reason, to get the most from an HSA-compatible healthcare FSA, it's important to do two things:

1. Estimate your expected 2021 dental and vision costs carefully.
2. Spend all of your HSA-compatible healthcare FSA dollars by Dec. 31\* of each year.

### TIP

It's a good idea to save as much as you can in your health savings account. Your health savings account doesn't have a spending deadline, so the money is yours to keep even if you switch medical plans, leave McKesson or retire.

\* Deadlines subject to change by the IRS (e.g., due to COVID-19).







## Keep Your Smile Bright with One of the Three Cigna Dental Plans

The PPO plans let you visit any dentist you like, but you pay less if you use an in-network dentist. With the DHMO, you need to choose a dentist from the network. You can find an in-network dentist near you at [www.cigna.com/mckesson](http://www.cigna.com/mckesson).

	PPO	PPO Plus	DHMO
Out-of-network coverage	Yes	Yes	No
In-network preventive care and dental cleanings	100% of eligible charges	100% of eligible charges	100% of eligible charges
Deductible	\$50 individual \$150 family	\$50 individual \$150 family	No deductible
Coinsurance/copay	80% or 50% coinsurance* after meeting deductible	90%, 60% or 50% coinsurance* after meeting deductible	Fixed copay**
Orthodontia coverage	For children under age 19	For children under age 19	Adults and children
Calendar year benefit maximum	\$1,500 per person	\$2,000 per person	None

\* To find out which coinsurance percentage applies to your dental services, see the summary plan description (SPD) at [Total Rewards Library > Plan Documents > Dental SPD](#).

\*\* See your fixed copay amount at [UPoint > Health & Insurance > Coverage Details > Plan Information > Dental Plans > Dental HMO - Patient Charge Schedule](#).

### TIP

Sometimes DHMO and PPO dentists are in the same network. Be sure to compare costs carefully to see which dental plan makes the most sense for you. [Access the directory](#) and search for a dentist in the DHMO network.

You and your eligible dependents can get out-of-pocket expenses reimbursed for certain dental treatments if you have a qualified medical condition, such as diabetes or pregnancy. [Learn more about your dental plan options.](#)





## Protect Your Eyes with Coverage from Vision Service Plan (VSP)

You can choose from two VSP plans that offer 100% in-network coverage for routine eye exams and prescription glasses after a copay. Visit an in-network VSP doctor to get the best value. If you visit a non-VSP provider, you pay in full up front and submit a claim to VSP for partial reimbursement later. Visit [www.vsp.com](http://www.vsp.com) or call **800.877.7195** to find a VSP provider near you.

	Vision Options (network only)*	
	VSP	VSP Plus
	<b>Plan pays</b>	
Eye exam	<ul style="list-style-type: none"> <li>• 100% after \$15 copay</li> <li>• Once every calendar year</li> </ul>	<ul style="list-style-type: none"> <li>• 100% after \$10 copay</li> <li>• Once every calendar year</li> </ul>
Prescription glasses	100% up to plan allowance after \$25 copay for lenses and/or frame	100% up to plan allowance after \$10 copay for lenses and/or frame
Frame	<ul style="list-style-type: none"> <li>• Up to \$150 allowance</li> <li>• Once every other calendar year</li> </ul>	<ul style="list-style-type: none"> <li>• Up to \$250 allowance</li> <li>• Once every calendar year</li> </ul>
Lenses (includes single vision, bifocal, trifocal and lenticular lenses)**	<ul style="list-style-type: none"> <li>• Once every calendar year</li> <li>• Standard progressive lenses covered in full</li> <li>• Other lens enhancements available at a discount</li> </ul>	<ul style="list-style-type: none"> <li>• Once every calendar year</li> <li>• Standard progressive lenses covered in full</li> <li>• Premium and custom progressive lenses covered after \$40 copay</li> <li>• Other lens enhancements available at a discount</li> </ul>
Elective contact lenses (instead of prescription glasses)	<ul style="list-style-type: none"> <li>• Up to \$150 allowance</li> <li>• Once every calendar year</li> </ul>	<ul style="list-style-type: none"> <li>• Up to \$200 allowance</li> <li>• Once every calendar year</li> </ul>

\* These coverages are also available for out-of-network provider services. However, dollar maximums apply to exams, lenses, frames and contact lenses as shown in the Vision SPD. Find the Vision SPD at [Total Rewards Library > Plan Documents](#).

\*\* The plan doesn't cover the costs of other lens options such as anti-reflective coating, color coating, mirror coating, scratch coating, blended lenses, cosmetic lenses, laminated lenses, oversize lenses, polycarbonate lenses (except for children), photochromic lenses, tinted lenses (except Pink #1 and Pink #2), and ultraviolet protected lenses. For more information, see the Vision SPD at [Total Rewards Library > Plan Documents](#).

### Note for Current VSP Plus Members

If you decide to change your plan from VSP Plus to VSP, be aware that the VSP plan offers a frame allowance once every other calendar year. If you used your VSP Plus frame allowance in 2020 (or plan to do so before the year is over), it counts toward the VSP plan provisions for all of 2021. This means you won't be eligible for new frames again until 2022.

### Save on Hearing Aids

As a VSP member, you and your family can get up to 60% off digital hearing aids, plus 48 free batteries per device. Learn more at [Total Rewards Library > Healthcare Benefits > Vision Plans and Save on Hearing Care](#).



## Automatic Protection

We hope you or your loved ones never need to use your life and accidental death and dismemberment insurance benefits, but it's good to know your family is protected. As a McKesson team member, you automatically get company-paid:

- Basic life coverage — \$50,000
- Accidental death and dismemberment (AD&D) coverage — \$50,000

You can also buy supplemental coverage for you and your dependents during Annual Enrollment.

## Additional Protection You Can Buy

You can protect your family's finances by buying:

- Supplemental life and AD&D insurance — \$10,000 to the lesser of (1) eight times your pay or (2) \$1.5 million.
- Spouse/domestic partner life and AD&D insurance — \$20,000 to \$400,000.
- Child life and AD&D insurance — \$5,000 to \$25,000 per child (in \$5,000 increments)

### TIP

You can use [Benefit Scout™](#), an online tool to help you evaluate your needs, options and costs for life and AD&D coverage, before you enroll or make changes to your current coverage.

You may be asked for Evidence of Insurability (EOI) if:

- You're enrolling for coverage for the first time and choose an amount greater than \$10,000.
- You increase your current insurance amount by more than one level.

If your spouse or domestic partner currently has supplemental life insurance through McKesson, you can increase his or her coverage by \$20,000 (up to \$60,000) without EOI. If you need to provide EOI after enrolling, you'll see a "Submitted Successfully - Required Follow-Ups" page and get a confirmation number.

## Get Legal, Financial and Travel Support

You automatically have access to Securian Lifestyle Benefits. Use this resource to find a lawyer, create a will or get assistance when traveling more than 100 miles from home. Learn more at [Total Rewards Library](#) > [Financial Health](#) > [Securian Lifestyle Benefits](#).



# Long-Term Disability

We all know that life happens and you need to make your health and the health of your loved ones a priority. That's why you automatically have short-term disability (STD) coverage. The benefit amount is equal to a percentage of your earnings before your disability, minus earnings from other income. McKesson pays for this coverage as part of your Total Rewards.

During Annual Enrollment, you can buy additional protection for you and your family by enrolling in optional long-term disability (LTD) coverage. LTD coverage protects your income if you're out of work for more than 180 days due to a disability. LTD generally provides 60% of your covered earnings (up to a maximum monthly benefit of \$25,000), minus earnings from other income.

During the first 12 months of LTD coverage, you won't be paid LTD benefits for a disability that results from a pre-existing condition.

## You and McKesson Share the Cost of LTD

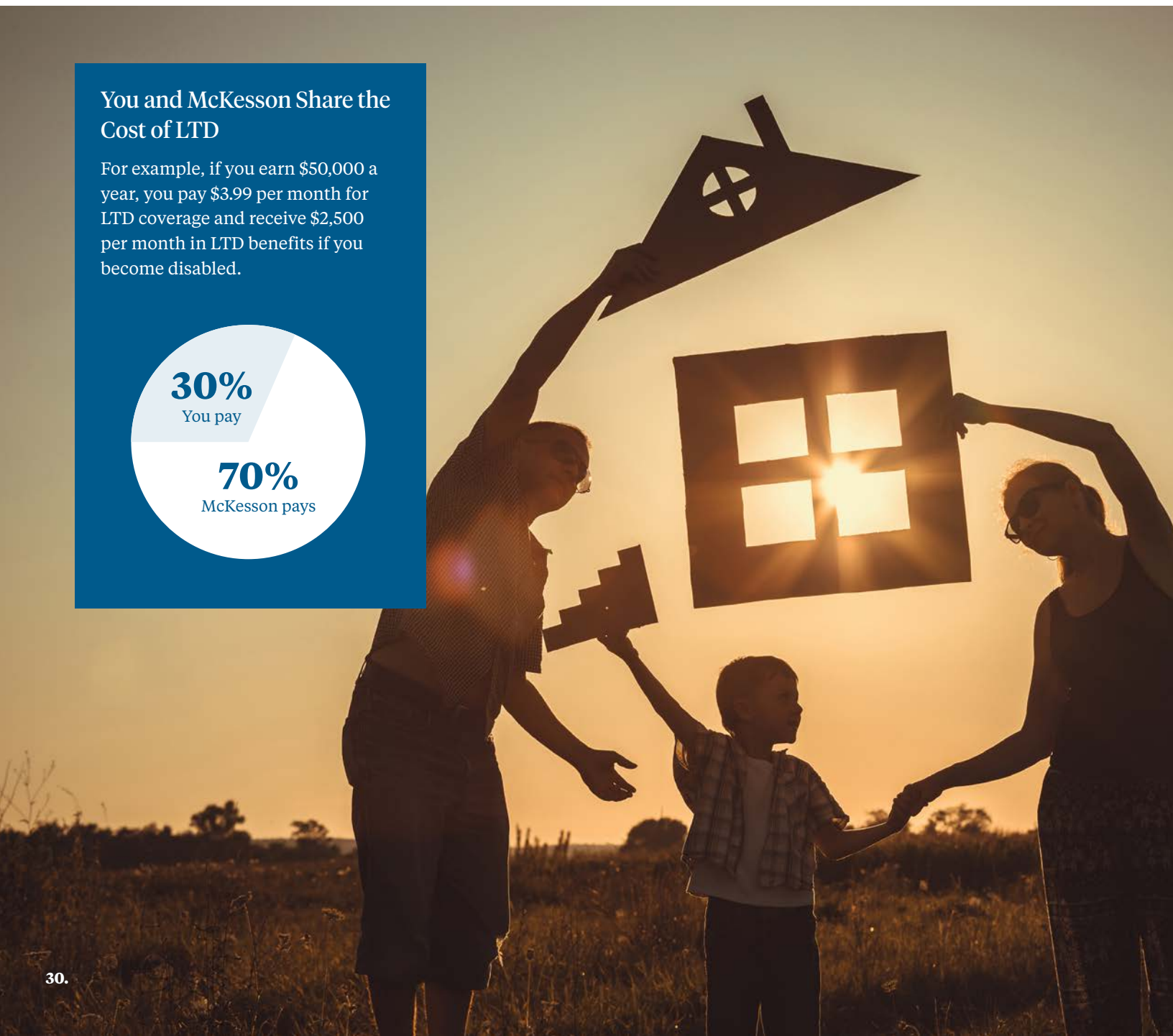
For example, if you earn \$50,000 a year, you pay \$3.99 per month for LTD coverage and receive \$2,500 per month in LTD benefits if you become disabled.

**30%**

You pay

**70%**

McKesson pays



# Voluntary Accident and Hospital Indemnity

You can enroll in these Securian programs during each Annual Enrollment and within 60 days of a qualified family status change. Election outside of your enrollment event will require you to demonstrate your good health, also known as evidence of insurability (EOI).

## Voluntary Group Accident Insurance\*

Fixed dollar benefit for covered accidents. The spouse and child benefit amounts equal the amounts available to the employee. Visit **Securian** for more information. You pay 100% of the cost of this benefit with after-tax payroll deduction dollars.

## Voluntary Group Hospital Indemnity Insurance\*

Fixed dollar benefit if hospitalized due to sickness or accident, including pregnancy coverage as of the effective date. Visit **Securian** for more information. You pay 100% of the cost of this benefit with after-tax payroll deduction dollars.

\*This program is completely voluntary and not sponsored or endorsed by McKesson. Employees pay 100% of the premiums. This program is a “group or group-type insurance program” within the meaning of 29 CFR §2510.3-1(j), which is exempt from the Employee Retirement Income Security Act of 1974, as amended (“ERISA”). Please review the insurance policy, certificates and related materials carefully before enrolling. McKesson’s involvement in these arrangements is limited to forwarding any after-tax payroll deduction contributions to the insurer. All questions and claims about these arrangements must be directed to the insurer and not McKesson. You should confirm with your tax advisor that this program doesn’t impact your eligibility to contribute to a health savings account.





# Enrolling Your Spouse or Domestic Partner



## The Yes/No Answer

If you plan to enroll your spouse or domestic partner in a McKesson medical plan, answer this question on **UPoint**: "Is your spouse or domestic partner eligible to enroll in medical coverage in his or her employer-sponsored health plan?" The default answer is **Yes**, which means you agree to pay a \$100 monthly surcharge on your McKesson medical plan premiums. Be sure to take action if the surcharge doesn't apply to you!



### Answer Yes if:

You're enrolling your spouse or domestic partner in your McKesson medical plan even though they're eligible for medical coverage through their employer. You'll pay a \$100 monthly surcharge\* on your McKesson medical premiums beginning Jan. 1, 2021. The \$100 surcharge is split over your pay periods each month throughout the year.

\* The surcharge for an employed spouse is taken before taxes. The surcharge for an employed domestic partner is taken after taxes.



### Answer No if:

Your spouse or domestic partner:

- Doesn't work.
- Doesn't have access to medical coverage through their employer. For example, if your spouse or domestic partner works at a company that doesn't offer medical coverage.
- Works at McKesson, like you. You can each enroll in Employee Only coverage or decide who enrolls as an employee and who enrolls as a dependent.
- Is self-employed.
- Is retired and eligible for Medicare.
- Only has access to employer-provided medical coverage through COBRA (Consolidated Omnibus Budget Reconciliation Act).



Be sure to log on to **UPoint** and select **Yes** or **No** in the **Employed Spouse/Domestic Partner Surcharge** field even if you don't plan to make any other changes to your coverage. If you don't make a selection, your answer becomes **Yes** by default and you pay the \$100 monthly surcharge on your McKesson medical premiums.



# Enrolling Your Spouse or Domestic Partner

Let us know within 31 days if your spouse or domestic partner loses, becomes eligible or enrolls in medical coverage through their employer and we'll add the surcharge to your paycheck or take it off. Simply call the HR Support Center at **855.GO.MCKHR (855.466.2547)** and **press 1**, or go to **UPoint > Life Changes**.

## Enrolling in Your Spouse or Domestic Partner's Medical Plan

If you decide to enroll in your spouse or domestic partner's medical plan for 2021, that doesn't mean there's nothing to do during Annual Enrollment:

- If you're currently enrolled in a McKesson medical plan, log on to **UPoint** and decline McKesson medical coverage.
- You can enroll in McKesson dental, vision, supplemental life and AD&D, long-term disability (LTD) coverage, and a dependent care and/or standard healthcare flexible spending account (FSA).
- You can also enroll in voluntary group accident and voluntary group hospital indemnity programs. (These programs are not sponsored by McKesson and if you enroll, you're responsible for 100% of the cost.)
- Set a contribution amount for a standard healthcare FSA. While you're eligible for reimbursement under a standard healthcare FSA through McKesson or your spouse's employer, you can't put money in a health savings account.



You can't contribute to a health savings account on a before-tax basis through McKesson payroll deductions if you don't enroll in the HSA, HSA Plus or Kaiser Plus plan.



## Be a Super Saver

Avoid the **Employed Spouse/ Domestic Partner Surcharge** by encouraging your spouse or domestic partner to enroll in medical coverage through their employer.

# Enrolling Your Kids



You can keep your kids on your McKesson medical plan until the end of the month of their 26th birthday. Children 26 and older can be on your McKesson medical plan if they're unmarried and are mentally or physically disabled and dependent on you. Their disability had to have begun before age 26.

If one of your kids is going to college out of state, their coverage depends on your medical plan. For example:



If you enroll in the HSA or HSA Plus plan, your covered child (under age 26) can use in-network providers in any state. Access to out-of-network providers is available, but you pay more for these services.



If you enroll in the Kaiser Plus plan, only Kaiser Permanente providers are covered. Your child isn't covered outside of Kaiser Permanente service areas except for emergency and urgent care.



The HSA, HSA Plus and Kaiser Plus plans aren't available in Hawaii. If you enroll in the Kaiser or HMSA HMO plan in Hawaii, only in-network coverage is available, and your child isn't covered outside Hawaii (except in emergencies).

You can keep your kids on your McKesson life and AD&D insurance until the end of the month in which they turn 26 years old.

# What to Expect When Enrolling Your Dependents

You're required to provide dependent verification documents for each dependent you enroll in a McKesson benefit plan (medical, dental and vision). If your dependent's eligibility isn't confirmed, they lose coverage under all plans they're enrolled in.

In the coming weeks, you can expect to receive a notice from the Dependent Verification Center in the mail. The notice will let you know which documents to submit to confirm dependent eligibility. Here are some steps you can take to make your verification process easier.

## 1. **Determine who is considered an eligible dependent.**

### **Who is an eligible dependent?**

- Your opposite-sex or same-sex spouse unless legally separated or divorced
- Common law spouse if recognized in your state of residence
- Domestic partner
- Children under age 26 (including your own children, step-children, domestic partner's children, legally adopted children, legal wards and foster children)
- Unmarried children age 26 or older who are incapable of self-support because of a disabling sickness or injury that began before age 26.
- Other children related by blood or marriage (for whom you pay at least half of their support and reside with you)
- Children who become eligible for medical coverage under the terms of a Qualified Medical Child Support Order (QMCSO)

### **Who is not an eligible dependent?**

- A former spouse
- Children age 26 and older (unless unmarried and incapable of self-support because of a disabling sickness or injury that began before age 26)

## 2. **Gather your documents.** Take time to find your documents now to avoid delays later — some state and local public records offices can take weeks to issue documents.

### **Here are some documents you can begin looking for:**

- Documents proving joint ownership — mortgage statements, credit card statements, bank statements, property tax statements and current, non-expired residential leasing agreements listing both parties' names as co-owners. The joint ownership may be established before the current year. However, the statement provided must be issued within the last six months or still be current, if it's a residential lease.
- Proof of marriage — the documents need to be a government-issued marriage license or marriage certificate with the date of your marriage. Church-issued certificates are *not* acceptable.
- Birth certificates listing parent names — birth certificates must be government-issued and list parent names. Short form government-issued birth certificates without parent names are *not* acceptable. Use the long form with the parent names (the same used for a passport).

## 3. **Look for your notice in the mail.** Once received, follow these steps when submitting your documents:

- Send copies only. Keep your original documents.
- Black out Social Security Numbers on the copies of the documents you submit.
- If a copy of your prior year's federal tax return is needed, send only the first page of the IRS Form 1040, which shows your dependents. Black out any dollar amounts.

### **Questions?**

The **Dependent Verification Center** is available to help before and after you receive your notice.  
800.725.5810  
9 am - 5 pm CT, M-F



# Qualified Status Changes

The McKesson benefits you choose during Annual Enrollment are for all of 2021 unless you have a qualified status change, such as marriage, the birth of a child, or your spouse or domestic partner loses, becomes eligible or enrolls in medical coverage through their employer. You have 31 days from the date of the change to update certain benefits at [UPoint > Life Changes](#).

The voluntary hospital indemnity\* and group accident\* programs you choose during Annual Enrollment are for all of 2021 unless you have a qualified family status change, in which case you have 60 days from the date of the change to make election changes at [UPoint > Life Changes](#).

Visit [UPoint](#) to learn about Health Insurance Portability and Accountability Act (HIPAA) Special Enrollment Rights that allow you to enroll in coverage outside of Annual Enrollment if you qualify.

\* This program is not sponsored by McKesson and if you enroll, you are responsible for 100% of the cost.



# After Annual Enrollment

To get a head start on making the most of your benefits in 2021, cross off this short checklist.



- Remember that there are no savings at Vitality Bronze Status for 2021. Try to reach Platinum Status by Nov. 30, 2020, so you can earn the most savings on your medical premiums for all of 2021.

Savings double if your spouse or domestic partner also participates in Vitality and you jointly reach Vitality Silver Status or higher. Need ideas to earn more Vitality Points™? Find suggestions [here](#) or reach out to your Wellness Champion. If you don't know who your Wellness Champion is, send an email to [WellnessChamps@mckesson.com](mailto:WellnessChamps@mckesson.com).



- Read your member guide to learn how your medical plan works and what you need to do to make the most of your coverage. You can find the 2021 HSA, HSA Plus and Kaiser Plus member guides on the [Total Rewards Library](#) beginning in Dec. 2020.



- New HSA, HSA Plus and Kaiser Plus plan members — if you never activated your health savings account before, you need to do so by Dec. 17, 2020, to start your contributions on the first paycheck in 2021. Dec. 31, 2020 is the deadline to activate your health savings account if you've never done it before to get McKesson's contribution the first week of Jan. You only need to activate your account once. See p. 23.



- Spend the rest of the money in your 2020 HSA-compatible healthcare FSA or standard healthcare FSA by Dec. 31, 2021\* — if you don't use it by this date, you lose it. You have until March 15, 2021\* to spend the money in your 2020 dependent care FSA.



- You have until April 30, 2021\*, to submit eligible healthcare and dependent care FSA claims for 2020.



- You can't use your 2021 healthcare FSA to pay for claims from 2020 or 2022.

\*These deadlines are subject to change by the IRS, (e.g. due to COVID-19).





# Tips for a Healthy 2021

1. If you haven't already, register for our voluntary wellness program, powered by Vitality. When you participate, you can earn rewards such as gift cards and savings on your McKesson medical plan premiums. Go to [www.powerofvitality.com](http://www.powerofvitality.com).

Remember that there are no savings at Vitality Bronze Status for 2021. Try to reach Platinum Status by Nov. 30, 2020, so you can earn the most savings on your medical premiums for all of 2021. Learn more at [Total Rewards Library > Wellness Programs > How to Save on Medical Premiums](#).



2. Register on the websites of your medical, prescription medication, dental and vision plan administrators. Link directly to these sites from the [Contacts](#) page on the [Total Rewards Library](#).
3. Download your plan administrators' apps, such as the Aetna, Anthem and Cigna mobile apps, from the App Store or Google Play. Then, register for your carrier's telemedicine service and download the app. Learn more at [Total Rewards Library > Healthcare Benefits > Telemedicine](#).

4. If you have a new carrier or enrolled in a McKesson medical plan for the first time, look for your medical ID card in the mail the first two weeks of Jan. Additionally, everyone enrolled in a McKesson medical plan administered by Anthem will receive a new ID card for 2021, with the phone number for Anthem's telemedicine provider added for your convenience.

5. View the new benefit deductions on your first 2021 paycheck. Contact the HR Support Center at [855.466.2547](tel:855.466.2547) if something is out of place.

6. Check your Vitality Status. Your status as of Sept. 30, 2021, determines the medical premium savings you see on [UPoint](#) when you enroll in benefits for 2022.

7. Spend all your 2021 FSA money by Dec. 31, 2021\*, or you lose it. Learn more at [Total Rewards Library > Financial Health](#).

8. Visit the [Total Rewards Library](#) during Annual Enrollment and throughout the year for benefits information 24/7. You can visit the library from any computer or mobile device connected to the internet, and you don't need a username or password to access the site. Be sure to check out the:

- Vitality Overview
- Short Videos
- Health Savings Account FAQs

\* This deadline is subject to change by the IRS, (e.g., due to COVID-19).





# Additional Benefits

## A World of Total Rewards

There's more to your benefits than medical, dental and vision. As a member of Team McKesson you have access to benefits that support your total well-being, including:



Employee Assistance Program (EAP)



Contigo Health (formerly Health Design Plus)



Best Doctors



Paid Parental Leave



Educational Assistance



Telemedicine



401(k) Plan



Employee Stock Purchase Plan (ESPP)



Rethink



Commuter Benefits



Adoption Assistance

You don't need to enroll in these benefits on UPoint during Annual Enrollment. Read all about them in the Perks, Plans and Programs guide at [Total Rewards Library](#) > [Healthcare Benefits](#).



## Annual Deductible

Your annual deductible is the amount you pay for office visits, prescription medications and other covered services before your plan begins sharing the cost.

## Coinsurance

Coinsurance is the percentage you and your plan each pay when you're sharing costs. Coinsurance kicks in after you meet your annual deductible.

## Copay

A copay is the fixed amount you pay for a covered healthcare service.

## Cost Sharing

Cost sharing means that you and McKesson each pay for a portion of your healthcare costs. When you pay coinsurance or a copay, you're cost-sharing.

## Embedded Individual Deductible

An embedded individual deductible is the amount an individual would have to pay before coinsurance begins under a family plan. This feature protects an individual from having to meet the whole family annual deductible.

## In-Network Provider

Doctors, hospitals and service providers that contract with your plan are called in-network providers. You usually pay less when you use an in-network provider.

## Out-of-Network Provider

Doctors, hospitals and service providers that don't contract with your plan are called out-of-network providers. You usually pay more when you use an out-of-network provider.

## Out-of-Pocket Maximum

The most you pay in a year for covered healthcare services is called the out-of-pocket maximum. After you reach the out-of-pocket maximum, the plan covers 100% of eligible services for the remainder of the plan year.

## Medical Premium

The medical premium is the amount deducted from your paychecks to pay for your medical coverage. Your deduction comes out of your paychecks before taxes.\*

\* The cost of coverage for a domestic partner comes out of your paycheck after taxes.

## Self-Insured Health Plan

A self-insured health plan's claims are paid by an employer out of its general assets (instead of by an insurance company) and administered by an insurance company. This type of plan is usually less expensive than a fully insured plan.



## Aetna

<https://www.aetnaresource.com/n/McKesson>  
877.286.3900

## Anthem

[enrollmentanthem.com/McKesson](http://enrollmentanthem.com/McKesson)  
866.820.0763

## Cigna (medical and dental)

[www.cigna4McKesson.com](http://www.cigna4McKesson.com)  
800.244.6224  
888.806.5042 — first-time enrollees only

Enter these plan names on your medical carrier's website to make sure your current doctor is in your plan's network.

**Aetna Network:** Aetna Choice POS II (Open Access)

**Anthem Network:** BlueCard PPO

**Cigna Network:** Open Access Plus with CareLink

## Kaiser Permanente

<https://my.kp.org/mckessoncorp>

Available in California, Colorado, Georgia, Hawaii, the Mid-Atlantic states (Maryland, Virginia, Washington, DC), Oregon and Southwest Washington.

## CVS Caremark

[www.caremark.com](http://www.caremark.com)  
800.378.0822

## CVS Specialty

[CVSpecialty.com](http://CVSpecialty.com)  
800.237.2767

## Vision Service Plan (VSP)

[www.vsp.com](http://www.vsp.com)  
800.877.7195

## Fidelity Investments

For health savings accounts, 401(k)s and the ESPP.

[www.netbenefits.com](http://www.netbenefits.com)  
888.625.7747

7:30 am - 11:00 pm CT, M-F

## HealthEquity (formerly WageWorks)

For flexible spending accounts and commuter benefits.

[www.wageworks.com](http://www.wageworks.com)  
877.924.3967

## Resources for Living®

[www.resourcesforliving.com](http://www.resourcesforliving.com)

(username: McKesson, password: eap)

888.425.6174

The Employee Assistance Program (EAP) is available 24/7 for free, confidential support for everything from childcare referrals to addiction counseling. No problem is too big or too small.

## HMO Plans

### HMSA HMO — HI

[www.hmsa.com](http://www.hmsa.com)  
808.948.6372

### Kaiser HMO — HI

<https://my.kp.org/mckessoncorp>  
808.432.5955 (Oahu)  
800.966.5955 (neighbor islands)

## Life and Disability

### Securian Financial

Life and accidental death and dismemberment (Life and AD&D)

[www.securian.com/mckesson](http://www.securian.com/mckesson)  
866.293.6047

### Matrix Absence Management

Short-Term Disability  
[www.matrixabsence.com](http://www.matrixabsence.com)  
866.254.8706

### Cigna

Long-Term Disability  
[www.cigna.com/customer-forms](http://www.cigna.com/customer-forms)  
800.362.4462

## Condition Support Managers

### Aetna — Aetna In Touch Care

877.286.3900

### Anthem — Condition Care

866.820.0763

### Cigna — Personal Health Team

800.244.6224

**Kaiser Permanente and HMSA members —** call the number on your medical ID card to learn about chronic condition support available to you.









## Benefit Lifelines

### **UPoint**

**[digital.alight.com/mckesson](https://digital.alight.com/mckesson)**

Enroll in, review and manage your benefits.

Download the UPoint Mobile HR app from the App Store or Google Play to enroll on your phone.

### **HR Support Center**

**855.GO.MCKHR (855.466.2547)**

**Press 1** for the McKesson Benefits Center for Health and Vitality questions. Benefit experts are available 7am - 6 pm CT, M-F.

***Opriime 1 para asistencia en español a través del McKesson Benefits Center.***

### **Call the HR Support Center for:**

- Answers to general questions about your coverage options
- Guidance about eligibility and enrollment
- A paper copy of this guide

### **Speak with an Advocate**

When you have a question about your healthcare, you can talk to an advocate any time of year. You can reach your medical plan carrier's member advocacy services by calling the number on the back of your medical ID card.

Visit the Total Rewards Library for additional

**Benefits Contact Information.**

McKesson reserves the right to modify, terminate or amend benefit plans/provisions at its discretion at any time and for any reason. This document summarizes highlights of some of our benefit plans. This document also serves as a "summary of material modifications" to our benefit plans in accordance with the requirements of the Employee Retirement Income Security Act of 1974, as amended (ERISA). Please keep this document with your copy of the Summary Plan Description.