

See the Big Picture.
Compare Your Options.
Make the Right Choices for
Your Healthcare Needs.



Annual Enrollment Is November 7-18

Start here! Use this guide to get to know
your 2017 enrollment options.

Dear Colleagues,

One of the ways a company grows is by making smart investments. Providing you with quality healthcare options and resources to support your well-being is an investment that benefits us all. Although we're not making significant changes to our plans for 2017, I encourage you to weigh all your coverage options and choose plans and coverage based on your current — and future — care needs. Learn about your options and use the tools, programs and resources available to help you enjoy better overall health.

You have good options and they're even better if you use them.

If you haven't enrolled in a high-deductible health plan, such as the HSA or HSA Plus plan, consider this option. These plans offer a health savings account with tax advantages and give you more control over your healthcare dollars. In fact, our 401(k) administrator also handles our health savings accounts, which means you can manage your accounts together.

The HSA Plus plan not only lets you save money in a health savings account, but McKesson puts money in your account too. McKesson-funded dollars are yours to keep — you own the account and can spend on qualified healthcare expenses or invest to save for retirement — even if you change plans or leave McKesson. Essentially, with the HSA Plus plan, we're giving you a head start in saving for the future.

If you're currently enrolled in the HSA or HSA Plus medical plan, features like a health savings account and no-cost preventive generic medications are probably why you chose the plan in the first place. This year, consider contributing as much as you can to your health savings account. Putting money in a health savings account is a good idea because if you don't spend it, you're saving for retirement.

The HSA and HSA Plus plans truly offer the most value for your healthcare dollar.

You have the tools necessary to be a smart healthcare consumer.

Look beyond your medical plan options to see how your other Total Rewards fit into the big picture of your healthcare. For example, if you have a health savings account, consider how an HSA-compatible flexible spending account can help you set aside before-tax dollars to spend on eligible dental and vision expenses, such as braces or contact lenses.

If you anticipate needing a hip or knee replacement next year, learn how the Centers of Excellence program works with the HSA, HSA Plus and HRA Core medical plans to provide surgery at little or no-cost to you. And try Best Doctors, which can help you get the most from your medical coverage.

Prepare for the unexpected too. Give yourself and your family peace of mind by enrolling in Long Term Disability coverage, electing supplemental employee life and accidental death & dismemberment (AD&D), increasing your existing spouse/domestic partner life and AD&D, and electing or increasing child life and AD&D.

You have the ability to help protect our business.

If your spouse/domestic partner has health benefits through another employer, encourage him or her to enroll in that plan. The ACA requires nearly all employers to provide healthcare insurance to their employees. That means that if your spouse/domestic partner has coverage, you can help save money for McKesson and protect the health of our business.

You have the option to invest in your future.

As always, a successful Annual Enrollment depends on your active participation and choosing healthcare coverage is an investment in your future. Use this guide to help you make the right choices for you and your family during Annual Enrollment, November 7-18.

Best wishes for a healthy 2017.

Jerry Warren
Senior Vice President
Total Rewards



Joining the new company?
This is your guide too.

Your Annual Enrollment Cheat Sheet

Prepare

- Make sure you're able to log on to UPoint, the enrollment website, before Annual Enrollment begins — it can take up to 10 business days to get a new password if you need one mailed to you.
- Think about your healthcare needs for 2017.
- Use this guide to review your McKesson plan options and learn about money-saving power of a health savings account.
- Use the Health Plan Cost Estimator on UPoint to get an estimate of your 2017 healthcare plan premiums. You can see the actual premiums starting November 7.

Enroll — Log on to UPoint November 7-18, 2016 to:

- Enroll in medical, dental, vision, flexible spending accounts (FSAs), long term disability (LTD), supplemental life and accidental death & dismemberment (AD&D) coverage.
- Choose how much money you want to put in your health savings account if you enroll in the HSA or HSA Plus medical plan.
- Provide Social Security Numbers (SSNs) for your covered dependents if you haven't already.
- Select **Yes** or **No** in the **Employed/Spouse Domestic Partner Surcharge** field if you choose medical coverage for your spouse/ domestic partner.



If you don't make a selection, your answer becomes **Yes** by default and you pay a \$100 monthly surcharge.

- Print your enrollment confirmation statement.

- Take the Annual Enrollment Survey by December 2 for a chance to win an iPad!** After enrolling on UPoint, look for the survey in the **What Happens Next** or **Your Action Needed** box.



Online Tools and Resources

These tools can help you choose the best coverage based on your healthcare needs.

UPoint

<http://resources.hewitt.com/mckesson>

Log on to UPoint November 7-18 to use the following:

- **Health Plan Comparison Charts** — compare plan deductibles, out-of-pocket maximums and other plan features side-by-side for up to three health plans.
- **Medical Expense Estimator** — estimate costs for common healthcare expenses under each medical plan.
- **Health Care Cost Summary Tool** — see a summary of your 2015 and 2016 healthcare expenses if you're enrolled in a McKesson medical plan.
- **Summary of Benefits and Coverage** — review what each plan covers and what the costs are (also available on the Total Rewards Library).

Carrier Websites

Visit your current medical plan carrier's website to review your healthcare expense history, which can help you estimate future expenses (p. 19).

Total Rewards Library

www.mckesson.com/totalrewardslibrary

Visit the Library to learn more about your coverage options. You can click through the new **Annual Enrollment Prep** page for helpful tips and info, and view plan highlights and examples in the **Medical Plan Comparison Guide**.



Some Things to Consider



- **Pay Less for Some Brand Name Drugs**
You asked and we listened. Now some brand name prescription drugs (including certain brands of insulin), are covered at half the normal coinsurance* if you're an HSA or HSA Plus plan member in 2017. See the list of covered prescription drugs at www2.caremark.com/mckesson > **Drug Lists** > **HSA Preventive Therapy Drug List**.



- **Coverage for Specialty Medications**
If you're an HSA, HSA Plus or HRA Core plan member, your prescription drug benefits will cover preferred drugs on the Comprehensive Specialty Pharmacy Drug List. This coverage helps you have the most effective drugs at the lowest cost. Your portion of coinsurance* for less-effective, non-formulary drugs is increasing. Learn more about your medication options at www.mckesson.com/totalrewardslibrary > **Annual Enrollment** > **Prescription Drug Coverage Overview**.



- **Put More in Your Health Savings Account**
If you're an HSA or HSA Plus plan member with employee-only coverage, you can set aside up to \$3,400 per year (\$283.33 per month) in your health savings account. If you have family coverage, the most you can set aside in your health savings account is still \$6,750 per year (\$562.50 per month). Learn more on p. 8.

* Coinsurance is the percentage you and your medical plan pay for eligible expenses when you're sharing costs. Coinsurance kicks in once you meet your annual deductible.



- **Medical Associates Is Going Away**
The Medical Associates HC Premier plan isn't available for 2017. If you're currently enrolled in the Medical Associates plan, you need to choose a new medical plan during Annual Enrollment or you won't have McKesson medical coverage in 2017. Consider how the HSA or HSA Plus plan can help you save money while providing the same comprehensive coverage as your current Medical Associates plan. Learn about our other medical plans on pp. 8-9.



- **Use Your FSA Dollars by December 31, 2017**
If you plan to enroll in a flexible spending account (FSA) in 2017, carefully estimate how much money to set aside. You have until December 31, 2017 to spend your 2017 FSA dollars on eligible expenses and until March 31, 2018 to submit your 2017 FSA claims. You lose any money left in your account after December 31, 2017. Learn more on p. 12.



- **Plan Changes to HMOs/EPOs**
If you're currently enrolled in a health maintenance organization (HMO) or exclusive provider organization (EPO) medical plan, be sure to view the Health Plan Comparison Charts on UPoint, beginning November 7, to see how or if your plan is changing for 2017.

Take Action During Annual Enrollment

Here are some important reasons to actively enroll on UPoint November 7-18, even if you plan to keep your current coverage:

- Choose a new medical plan if you're currently enrolled in the Medical Associates HC Premier plan.
- Enter the amount you'd like to set aside in your health savings account if you're enrolled in the HSA or HSA Plus plan.
- Enroll in FSAs.
- Answer **Yes** or **No** in the **Employed Spouse/Domestic Partner Surcharge** field (see p. 7).

Your Options at a Glance

Primary Medical Plans

- HSA plan
- HSA Plus plan
- HRA Core plan

HMOs and EPOs — available in limited locations

- HMOs
- EPOs

Flexible Spending Accounts (FSAs)

- Health Care FSAs — options are based on your medical plan choice:
 - HSA-compatible FSA
 - Standard healthcare FSA
- Dependent care FSA

Dental

- Cigna Dental Preferred Provider Organization (PPO) — two options:
 - PPO
 - PPO Plus
- Cigna Dental Health Maintenance Organization (DHMO)

Vision

Vision Service Plan (VSP) — two options:

- VSP
- VSP Plus

Supplemental Life and Accidental Death & Dismemberment Insurance (Life AD&D)

- Employee
- Spouse/domestic partner
- Child(ren)

Long Term Disability Coverage (LTD)

Up to 60% of your covered pay if you're out of work more than 180 days due to a disability (up to \$25,000 per month)

Qualified Status Change

The choices you make during Annual Enrollment are for all of 2017 unless you have a qualified status change, such as marriage, the birth of a child or your spouse/domestic partner loses or gets medical coverage. If you have a qualified status change, you can update some of your enrollment choices within 31 days of the change at **UPoint > Life Events**.

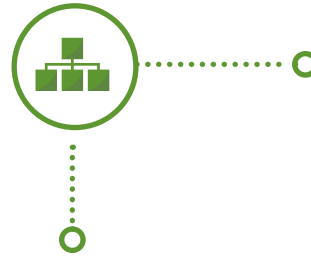
On UPoint, you can also learn about Health Insurance Portability and Accountability Act (HIPAA) Special Enrollment Rights that allow you to enroll in coverage outside of Annual Enrollment, if you qualify.

HR Support Center 855.GO.MCKHR (855.466.2547)

Press 1 for the McKesson Benefits Center for Health, Vitality and Pension questions. Benefit experts are available 7 a.m. - 6 p.m. Central time, M-F.
Oprime 1 para asistencia en español a través del McKesson Benefits Center.

Call the HR Support Center if you have enrollment questions. If a benefit expert can't answer your question, a Personal Health Advocate will contact you within 24-48 hours. Personal Health Advocates are specifically trained to help you with questions about medical, dental and vision coverage.





Medical Plans

Our three primary medical plans offer you:

- Comprehensive medical and prescription drug coverage.
- Preventive care covered at 100% when you use in-network providers.
- Coinsurance after meeting your deductible. Coinsurance is the percentage of the cost you share with your medical plan.
 - You pay 20% of the eligible cost and your plan pays 80% when you use in-network care or services.
 - You pay 40% of the eligible cost and your plan pays 60% when you use out-of-network care or services.
 - You pay 100% of the difference in costs between out-of-network provider charges and eligible charges for the service.
- Out-of-pocket maximums that limit how much you pay for medical and prescription drug expenses during the year. Out-of-pocket maximum is the amount you pay toward your annual deductible plus your share of eligible expenses before the plan pays 100%.
- A health savings account or health reimbursement account to help you pay eligible expenses.

Medical Plan Carriers

Although your choice of HSA, HSA Plus or HRA Core plan carrier depends on where you live, be sure to check if your preferred doctor and service providers are in a carrier's network. You can visit a carrier's website and compare each carrier's tools, resources and services.

Aetna

<http://aetnaresource.com/8778/mckesson>
877.286.3900

Available in all states except Hawaii.

Anthem

<http://enrollment.anthem.com/McKesson>
866.820.0763

Available in California, Florida, Michigan and Pennsylvania.

Cigna

www.cigna4McKesson.com
800.244.6224

Available in all states except Hawaii.



Here's an example of what you'll see on UPoint when you choose your medical plan. If you're already enrolled in a McKesson medical plan, you can select **Keep** to continue your previous coverage or select **Choose** to switch. If you're currently enrolled in the Medical Associates HC Premier plan, be sure to choose a new plan.

8 Plan(s) Available for Next Year Beginning Jan 1, 2017

Plan prices cover You Only

Compare

Compare up to 3 plans

Aetna HRA Core Your Monthly Cost **\$138.30**

Coverage Doctors Prescriptions

Annual Deductible	Coinsurance	Out-of-Pocket Maximum
\$2,125 Individual	80%	\$6,750 Individual

Estimate Your Medical Expenses

All Coverage Details

Compare up to 3 plans

CIGNA HRA Core Your Monthly Cost **\$138.30**

Coverage Doctors Prescriptions

Annual Deductible	Coinsurance	Out-of-Pocket Maximum
\$2,125 Individual	80%	\$6,750 Individual

Estimate Your Medical Expenses

Enrolling Your Spouse/Domestic Partner?

If you plan to enroll your spouse/domestic partner in McKesson medical coverage during Annual Enrollment, you'll be asked on UPoint if he/she is eligible for medical coverage through his/her employer. If your answer is **Yes**, you'll pay a \$100 monthly surcharge* on your McKesson medical premiums beginning January 1, 2017. The \$100 surcharge is split over your pay periods each month.

If your answer is **No**, you won't pay the \$100 monthly surcharge. Consider encouraging your spouse/domestic partner to enroll in medical coverage through his or her employer so you can answer **No**.



Be sure you select **Yes** or **No** in the **Employed/Spouse Domestic Partner Surcharge** field. If you don't make a selection, your answer becomes **Yes** by default and you pay the \$100 monthly surcharge. If you and your spouse/domestic partner are both McKesson employees, the surcharge is waived.

Here's what you'll see on UPoint in the **Employed Spouse/Domestic Partner Surcharge** field during Annual Enrollment. Look for this page November 7-18 and make an active choice.

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Employed Spouse/Domestic Partner Surcharge

Select yes if your spouse/DP has access to medical coverage through his/her employer. A \$100 surcharge will be deducted from your paycheck beginning 1/1/2017. Select no if this does not apply.

Choose Your Coverage

Your Current Coverage As of Today

Option	Your Monthly Cost
No	\$0.00

Next Year's Coverage Beginning Jan 1, 2017

Option	Your Monthly Cost
<input checked="" type="radio"/> Yes	\$100.00
<input type="radio"/> No	\$0.00

Continue

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



Let us know within 31 days if your spouse/domestic partner loses or gets medical coverage through his or her job and we'll take the surcharge off your paycheck or add it in. Simply call the HR Support Center at **855.GO.MCKHR (855.466.2547)** and **press 1**.

Our Medical Plans by the Numbers

Here's a quick look at our medical plans by the numbers. Use the charts below to compare the plan accounts, your deductible, and your coinsurance and out-of-pocket maximums.

HSA plan

	Health savings account		Deductible	Coinsurance out-of-pocket maximum		Out-of-pocket maximum	
	EE contribution**	McKesson contribution		In-network	Out-of-network	In-network***	Out-of-network
EE*	\$0-\$3,400	\$0	\$3,500	\$2,750	\$5,500	\$6,250	\$9,000
EE + SP/DP* or Child(ren)	\$0-\$6,750	\$0	\$5,250	\$4,125	\$8,250	\$9,375	\$13,500
EE + Family	\$0-\$6,750	\$0	\$7,000	\$5,500	\$11,000	\$12,500	\$18,000

HSA Plus plan

	Health savings account		Deductible	Coinsurance out-of-pocket maximum		Out-of-pocket maximum	
	EE contribution**	McKesson contribution		In-network	Out-of-network	In-network***	Out-of-network
EE*	\$0-\$2,650	\$750	\$2,125	\$2,500	\$5,000	\$4,625	\$7,125
EE + SP/DP* or Child(ren)	\$0-\$5,650	\$1,100	\$3,175	\$3,750	\$7,500	\$6,925	\$10,675
EE + Family	\$0-\$5,250	\$1,500	\$4,250	\$5,000	\$10,000	\$9,250	\$14,250

HRA Core plan

	Health reimbursement account		Deductible	Coinsurance out-of-pocket maximum		Out-of-pocket maximum	
	EE contribution	McKesson credits		In-network	Out-of-network	In-network***	Out-of-network
EE*	\$0	\$750	\$2,125	\$2,500	\$5,000	\$4,625	\$7,125
EE + SP/DP* or Child(ren)	\$0	\$1,100	\$3,175	\$3,750	\$7,500	\$6,925	\$10,675
EE + Family	\$0	\$1,500	\$4,250	\$5,000	\$10,000	\$9,250	\$14,250

* 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're age 55 or older, you can make catch-up contributions of up to \$1,000 per year (\$83.33 per month). Avoid tax penalties by checking that you don't put in more per month or per year than the IRS limit. McKesson and Fidelity don't check for you. For more information on health savings accounts, go to www.mckesson.com/totalrewardslibrary > **Annual Enrollment** > **Health Savings Account FAQs**.

*** If you're enrolled in EE + SP/DP, EE + child(ren) or EE + family coverage, your plan has an out-of-pocket maximum of \$6,850 per individual. This means no one covered by your plan pays more than \$6,850 a year for in-network services.

You can find more details in each plan's **2017 Summary of Benefits and Coverage (SBC)**, available November 7 on UPoint and the Total Rewards Library. Go to www.mckesson.com/totalrewardslibrary > **Plan Documents**.

Medical Plan Accounts

Our primary medical plans offer you a health savings account or health reimbursement account to help you save on healthcare expenses. Here's what these accounts can do for you.

Health Savings Account — available only with the HSA and HSA Plus plans

Ownership

The health savings account is yours to keep whether you change medical plans, leave McKesson or retire. Fidelity is the account administrator.

Triple Tax Advantage*

1. Before-tax and tax-deductible contributions that lower your taxable income
2. Tax-free withdrawals for eligible healthcare expenses
3. Tax-free earnings from interest and investments

* Some states tax contributions and interest/earnings. Check with your tax advisor to see how your account is affected or contact Fidelity for more guidance.

McKesson Contribution (HSA Plus plan)

Along with the money you set aside, if you enroll in the HSA Plus plan, McKesson puts money in your health savings account in early January (see p. 8).

IRS Contribution Limits

The IRS limits how much you can put into your health savings account. The limit is based on if you're enrolled in the HSA or HSA Plus plan and who is covered under your plan. If you're only eligible for a health savings account part of the year, be sure to stay under the monthly IRS limit to avoid taxes and penalties. You can find the annual and monthly limits in the **Health Savings Account Overview** at www.mckesson.com/totalrewardslibrary > **Annual Enrollment**.

Control

You decide how and when to spend or save the money in your account. Similar to a regular checking account, you can only spend up to the amount you have in your account. You can use your money to cover eligible medical, prescription drug, dental and vision expenses that count toward your deductible.



Use your health savings account to pay eligible healthcare expenses not normally covered by your medical plan. View a list of eligible expenses at www.mckesson.com/totalrewardslibrary > **Annual Enrollment** > **Health Savings Account Qualified Expenses**.

Investment Opportunities

You can start investing through Fidelity when you have at least \$500 (the minimum investment amount) in your health savings account.

Learn more in the **Health Savings Account Overview** or **Health Savings Account FAQs** at www.mckesson.com/totalrewardslibrary > **Annual Enrollment**.



Activate Your Health Savings Account

When you enroll in the HSA or HSA Plus plan for the first time during Annual Enrollment, Fidelity automatically sets up a health savings account for you. **However, you need to activate your health savings account at on Fidelity's website (www.netbenefits.com) before you can access or use your account.** It's easy, and once you activate your account, you don't have to do it again.



Health Reimbursement Account — available only with the HRA Core plan

McKesson Owns the Account

McKesson owns and credits the account, and your medical plan carrier is the administrator.

McKesson Credit

The amount McKesson puts in your account depends on who's enrolled in your plan (p. 8). McKesson credits the account on January 1, 2017. You can't add money to the account.

Automatic Payments

Your medical plan automatically pays your eligible medical and prescription bills from your health reimbursement account. These payments count toward your deductible.

Use It or Lose It

Any money left in the account at the end of 2017 doesn't carry over to 2018, and you lose your account if you leave McKesson or retire.



Any health reimbursement account credit from before 2016 continues to carry over as long as you're enrolled in the HRA Core plan.



See examples of how the medical plan accounts cover expenses at www.mckesson.com/totalrewardslibrary > **Annual Enrollment** > **Medical Plan Comparison Guide**.

Save Even More with Flexible Spending Accounts

Saving money never goes out of style. One of the ways you can save money and add value to your healthcare and dependent care is with flexible spending accounts (FSAs). You can set aside before-tax dollars to pay for eligible healthcare and dependent care expenses. Choose the FSA that's right for you. In some cases, the type of FSA you can have depends on your medical plan, as shown below. There are two kinds of healthcare FSAs (HSA-compatible FSA and standard healthcare FSA) and one dependent care FSA.

	Healthcare FSAs		Dependent Care FSA
	HSA-compatible FSA	Standard healthcare FSA	Dependent care FSA
Available to	HSA plan members HSA Plus plan members	HRA Core plan members HMO and EPO plan members All benefit eligible employees not enrolled in the HSA or HSA Plus plan	All benefit eligible employees
Use for	Eligible dental and vision out-of-pocket expenses only, including deductible and coinsurance amounts	Eligible medical, prescription drug, dental and vision out-of-pocket expenses, including deductible and coinsurance amounts	Eligible child care and eldercare out-of-pocket expenses
Annual contribution amounts	\$100 - \$2,550	\$100 - \$2,550	\$100 - \$5,000
When your money is available	January 1	January 1	As you put money in
Why choose this account	<ul style="list-style-type: none"> You want to use before-tax dollars to pay eligible dental and vision expenses early in the new year, but don't have much money in your health savings account (or you just opened it). You can use your HSA-compatible FSA as early as January 1. You want to save the money in your health savings account for medical expenses in retirement. 	<ul style="list-style-type: none"> You want to use before-tax dollars to save on out-of-pocket expenses that exceed your health reimbursement account credit. You want to lower your taxable income. 	<ul style="list-style-type: none"> You want to use before-tax dollars to pay eligible expenses. You want to lower your taxable income.

Learn more about the differences between a health savings account and a flexible spending account in the easy-to-understand infographic at www.mckesson.com/totalrewardslibrary > **Annual Enrollment** > **Health Savings Accounts vs FSAs**.

More FSA Food for Thought

- You can use the full amount you choose to put in your FSA during Annual Enrollment on January 1.
- Unused 2017 FSA dollars don't carry over to 2018. Carefully consider your healthcare and dependent care needs before entering an amount on UPoint.
- You can pay eligible expenses with your WageWorks® Healthcare Card (similar to a debit card), by filing a claim for reimbursement on the WageWorks website or using the EZ Receipts® mobile app.
- Keep all your FSA receipts in case you need to verify your purchases with the IRS.
- If you don't enroll in one of our medical plans, you may still be eligible to enroll in FSAs. Contact WageWorks to see if you can enroll in an FSA.

You can find a list of eligible FSA expenses at www.mckesson.com/totalrewardslibrary > **Annual Enrollment**.

Already Have a Standard Healthcare FSA? This Message Is for You

If you plan to enroll in the HSA or HSA Plus medical plan for 2017, you need to have \$0 in your standard healthcare FSA by December 31, 2016 to start setting aside money in a health savings account in January 2017.

If you have even a single penny left in your standard healthcare FSA after December 31, 2016, you'll need to wait until April 2017 to put money in your health savings account. If you enroll in the HSA Plus plan, the money McKesson puts in your account will be delayed too.

If you're eligible for a health savings account only part of the year (April-December, for example), the IRS prorates how much you can put into your health savings account for 2017 — see p. 8.



If you're covered as a dependent under your spouse/domestic partner's high-deductible health plan and want to put money in a health savings account in 2017, don't set aside money in a standard healthcare FSA. If you put money in a standard healthcare FSA in 2017, you and your spouse/domestic partner can't put money in a health savings account in 2017.

How to Put Money in Your FSA

After choosing your medical plan, the **Health Care Flexible Spending Account** page on UPoint automatically updates to allow you to put money in either an HSA-compatible FSA or standard healthcare FSA, depending on the medical plan you choose. Enter your annual contribution amount and click **Continue**.



Here's an example of what you'll see on UPoint when you enroll in an FSA.

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Health Care Flexible Spending Account

Consider contributing to a Health Care Flexible Spending Account to pay for eligible expenses.

Note! If you're enrolled in a medical plan with a health savings account, the contribution amounts you enter below automatically apply to an HSA-Compatible FSA, which covers dental and vision expenses only.

Why Use a Health Care Flexible Spending Account?

- Save more on taxes. You're never taxed on your contributions.
- You have immediate access to all of the money you'll contribute throughout the year.

Current Annual Contributions As of Today

Your Contribution Amount **\$2,550.00**

Choose Next Year's Annual Contribution Beginning Jan 1, 2017

Enter Your Contribution Amount **\$ 0.00**
Enter 0 if you don't want to contribute. **(\$100.00 - \$2,550.00)**

By participating in a Health Care Flexible Spending Account, you certify that any expense paid by the account hasn't been reimbursed. You also agree not to seek reimbursement from another plan for any expenses paid by the account. If you receive a health care debit card, you agree to use the card only for eligible expenses for yourself and covered dependents, and to keep your debit card receipts.

Continue

Learn more about FSAs at www.mckesson.com/totalrewardslibrary > **Annual Enrollment** > **Flexible Spending Account Overview**.

Prescription Drug Coverage

CVS Caremark is your carrier for outpatient prescription drug coverage when you enroll in the HSA, HSA Plus or HRA Core plan. You pay your prescription drug expenses like any other medical expense. Your prescription drug coverage is only accepted at in-network pharmacies, including CVS, Target and many other pharmacies near you. To find an in-network pharmacy, go to www2.caremark.com/nlc > **Find a Local Pharmacy**.

If you enroll in the HSA or HSA Plus plan, you pay prescription drug expenses out of pocket until you meet your deductible. You can choose to pay with your health savings account.

If you enroll in the HRA Core plan, your medical plan carrier automatically pays for your eligible prescription drug expenses from your health reimbursement account. When your account balance reaches zero, you pay the full cost of your prescription drugs out of pocket until you meet your deductible. If you have a standard healthcare FSA, you can use it to pay your out-of-pocket costs.

When you reach your medical plan's deductible, coinsurance kicks in, and you and the plan start sharing costs. Once you reach your out-of-pocket maximum, you pay nothing for your eligible prescription drugs for the rest of the year.

In-Network Only* (out-of-network purchases aren't covered)

HSA and HSA Plus plans

Preventive generic drugs on the HSA Preventive Therapy Drug List	Plan pays 100%
Brand name drugs on the HSA Preventive Therapy Drug List	You pay half the normal coinsurance amount
Generic and preferred brand name drugs (outside of the preventive drugs lists)**	You pay 20%, plan pays 80%
Non-preferred brand name drugs	You pay 40%, plan pays 60%

HRA Core plan

Generic and preferred brand name drugs**	You pay 20%, plan pays 80%
Non-preferred brand name drugs	You pay 40%, plan pays 60%

* Includes Retail Pharmacy, Mail Order Program and Specialty Pharmacy purchases.

** Note that some specialty drugs will no longer be covered at the preferred rate. You can call CVS Caremark with any questions regarding the coverage of your specialty drugs.

Save Money on Your Medications

HSA and HSA Plus plan members pay nothing for generic medications on the HSA Preventive Therapy Drug List, whether you meet your deductible or not. And new for 2017, brand name medications on the list will be covered at half the normal coinsurance. Go to www2.caremark.com/mckesson > **Check Availability & Cost > HSA Preventive Therapy Drug List** to see if your medications are on the list.

HRA Core plan members may be eligible for discounts on certain chronic condition medications by participating in the Chronic Condition Medication Discount Program. You'll work with a condition support manager who determines whether your condition is appropriate for the program. Find more information on **UPoint > Incentive > Chronic Condition Medication Discount Program**.



If you enroll in the HSA or HSA Plus plan member, you can't participate in the Chronic Condition Medication Discount Program. However, you can call your carrier's condition support manager if you need help understanding your condition. You can find the contact information on the back of your medical ID card or on your carrier's website. Many of the drugs offered at a discount under this program are also available on the HSA Preventive Therapy Drug List.

Step therapy rules apply to your prescription medication purchases under the HSA, HSA Plus and HRA Core plans. You can learn more about step therapy at www.mckesson.com/totalrewardslibrary > **Annual Enrollment > Prescription Drug Coverage Overview**.



Additional Medical Coverage

HMOs and EPOs — available in limited locations

Under a Health Maintenance Organization (HMO) or Exclusive Provider Organization (EPO) plan, you typically pay a copay (flat dollar amount) for office visits and a coinsurance amount for certain services. However, your premiums are much higher in exchange for lower out-of-pocket costs. Generally an HMO/EPO plan doesn't cover out-of-network services, except in emergencies. Log on to UPoint to find out if an HMO/EPO plan is available in your location.

Available plans include:

- Aetna HMO — various locations
- Cigna HMO — various locations
- HMSA/Blue Cross HMO — HI
- Kaiser HMO — CA
- Kaiser HMO — CO
- Kaiser HMO — GA
- Kaiser HMO — HI
- Kaiser HMO — Mid-Atlantic
- Kaiser HMO — Northwest OR/WA
- Tufts EPO — MA
- UPMC Health Plan HMO — PA



Some deductibles and out-of-pocket maximums are increasing for 2017. View the **Health Plan Comparison Charts** on UPoint during Annual Enrollment to see if and how your plan is changing for 2017.

Dental

Keep your smile healthy and bright with dental coverage from Cigna. You can choose between two Dental Preferred Provider Organization (PPO) coverage options — PPO and PPO Plus — and the Dental Health Maintenance Organization (DHMO). Under the PPO plans, you save money by using in-network providers who've negotiated discounted rates with Cigna. Visit Cigna at www.cigna4McKesson.com to find an in-network dentist in your location.

	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	None
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 www.mckesson.com/totalrewardslibrary > Plan Documents > Dental SPD.



Here's an example of what you'll see on UPoint when you choose your dental plan. If you're already enrolled in a Cigna dental plan, you can select **Keep** to continue your previous coverage or select **Choose** to switch.

Compare up to 3 plans

CIGNA PPO plus

Your Monthly Cost
\$21.20

Compare up to 3 plans

CIGNA PPO

Your Monthly Cost
\$10.70

Compare up to 3 plans

CIGNA DHMO

Your Monthly Cost
\$6.20

Vision

Focus on better eye health with vision coverage through Vision Service Plan (VSP). You have your choice of two plan options — VSP and VSP Plus — that offer 100% in-network coverage for routine eye exams and prescription glasses after a copay. Be sure to visit an in-network VSP doctor to get the best value. When you see a non-VSP doctor, you pay in full up front and submit a claim to VSP for partial reimbursement. Visit www.vsp.com or call 800.877.7195 to find a VSP provider in your area.

Vision Options (in-network only)*		
	VSP	VSP Plus
Plan pays		
Eye exam	<ul style="list-style-type: none"> 100% after \$15 copay Once every calendar year 	<ul style="list-style-type: none"> 100% after \$10 copay Once every calendar year
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"> Up to \$130 allowance Once every other calendar year 	<ul style="list-style-type: none"> Up to \$210 allowance Once every calendar year
Lenses (includes single vision, bifocal, trifocal and lenticular lenses)**	<ul style="list-style-type: none"> Once every calendar year Progressive and other lens enhancements available at a discount 	<ul style="list-style-type: none"> Once every calendar year Progressive lenses covered after \$40 copay Other lens enhancements available at a discount
Elective contact lenses (instead of prescription glasses)	<ul style="list-style-type: none"> Up to \$150 allowance Once every calendar year 	<ul style="list-style-type: none"> Up to \$200 allowance Once every calendar year

* 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 on the Total Rewards Library at www.mckesson.com/totalrewardslibrary > **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 the Total Rewards Library — www.mckesson.com/totalrewardslibrary > **Plan Documents**.



When you choose your vision coverage, you'll see a UPoint page like the one to the right. If you're already enrolled in a VSP plan, you can select **Keep** to continue your previous coverage or select **Choose** to switch.

2 Plan(s) Available for Next Year Beginning Jan 1, 2017

Plan prices cover You + Spouse/Domestic Partner

Compare

Compare up to 3 plans

Vision Service Plan (VSP) Plus

Coverage Doctors

Review coverage details to understand how much you will pay when you use your coverage.

[All Coverage Details](#)

Your Monthly Cost

\$14.50

Keep

Compare up to 3 plans

Vision Service Plan (VSP)

Coverage Doctors

Review coverage details to understand how much you will pay when you use your coverage.

[All Coverage Details](#)

Your Monthly Cost

\$3.60

Choose



Supplemental Life and Accidental Death & Dismemberment

You can take comfort in knowing your family is financially protected by your basic life and accidental death and dismemberment (AD&D) coverage. You get this coverage automatically as part of your Total Rewards. During Annual Enrollment, you can buy:

- Supplemental employee life and AD&D insurance — \$10,000 to \$1.5 million (or eight times your pay, whichever is less)
- 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)

You may need to give Evidence of insurability (EOI) if you're enrolling for coverage for the first time and choose an amount greater than \$10,000 or if you increase your current insurance amount by more than one level. If your spouse or domestic partner currently has supplemental life insurance, you can increase his or her coverage by \$20,000 (up to \$60,000) during Annual Enrollment without EOI. If you need to provide EOI after you've enrolled, UPoint will ask you for it.



During Annual Enrollment, take time to confirm your beneficiary designations are up to date on UPoint.

If you quit smoking this year, confirm that you're tobacco free on UPoint during Annual Enrollment to save on your 2017 life insurance premiums.

Long Term Disability

Long term disability (LTD) coverage is optional (you have short term disability coverage automatically as part of your Total Rewards). Annual Enrollment is your chance to enroll in LTD coverage. The only other time you can enroll is when you have a qualified status change. 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.

You pay only 30% of the cost for LTD coverage. McKesson pays the other 70%.

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.



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.



Enroll on UPoint November 7-18

- 1. Log On to UPoint**

Go to <http://resources.hewitt.com/mckesson> and enter your username and password.

 - Follow the prompts to log on.
 - If it's your first time on UPoint, click **Log On** and select **Register as a New User**.
- 2. Make Your Choices**
 - On the UPoint homepage, under **Action Needed!**, click **Enroll**. Or select the **Health and Insurance** tab and under **Enroll!**, click **Enroll Now!**
 - Choose your coverage.
- 3. Select "Complete Enrollment" or "Quit"**

When you select:

Complete Enrollment — you save your choices and complete your enrollment.

 - Print the "Submitted Successfully" message and reference number as confirmation.
 - If you gave your email address on UPoint, you get a confirmation email with instructions for viewing your enrollment confirmation.
 - If you need to give EOI, a "Submitted Successfully - Required Follow-Ups" page appears, and you get a confirmation number. (You can print this page as confirmation.)

Quit — your choices aren't saved and they're cancelled.

 - You see a "Cancelled Successfully" message.
 - You have until November 18 to make new choices.

Enroll on Your Mobile Device

Log on to the UPoint Mobile site by visiting <http://resources.hewitt.com/mckesson> from your mobile device and completing steps 1-3.

After You Complete Your Enrollment



Enter to Win an iPad!

Once you complete your enrollment on UPoint, tell us about your Annual Enrollment experience. We love your feedback, so look for the **Annual Enrollment Survey** in the **What Happens Next** or **Your Action Needed** box. Take the survey by December 2, 2016 for your chance to win an iPad. The survey is voluntary and confidential.

Activate Your Health Savings Account

If you're enrolling in the HSA or HSA Plus plan for the first time, be sure to activate your health savings account on the Fidelity website — www.netbenefits.com. You need to activate your account on the Fidelity website before you can access any money or before any deposits, including McKesson's, can be made.

Moving to the New Company? Look for Your New ID Cards in the Mail

You may get new medical and dental ID cards after Annual Enrollment, depending on the plan carriers you choose.

Contact Information

Aetna

<http://aetnaresource.com/8778/mckesson>
877.286.3900
Available in all states except Hawaii.

Anthem

<http://enrollment.anthem.com/McKesson>
866.820.0763
Available in California, Florida, Michigan and Pennsylvania.

Cigna

www.cigna4McKesson.com
800.244.6224
Available in all states except Hawaii.

CVS Caremark

www.caremark.com
800.378.0822

Cigna Dental

www.cigna4McKesson.com
800.244.6224

Vision Service Plan (VSP)

www.vsp.com
800.877.7195
imember@vsp.com

Fidelity Investments

(for health savings accounts, PSIP and ESPP)
www.netbenefits.com
888.MCK.PSIP (888.625.7747)
7:30 a.m. - 7 p.m. Central time, M-F

WageWorks

(for FSAs)
www.wageworks.com
877.924.3967

Condition Support Managers

Aetna — Aetna Health Connections
866.269.4500

Anthem — Condition Care
866.820.0763

Cigna — Personal Health Team
800.244.6224

HMOs and EPOs

Aetna HMOs

www.aetna.com
800.323.9930

Cigna HMOs

www.mycigna.com
800.244.6224

HMSA/Blue Cross HMO — HI

www.hmsa.com
808.948.6372

Kaiser HMO — CA

www.kp.org
800.464.4000

Kaiser HMO — CO

www.kp.org
800.632.9700

Kaiser HMO — GA

www.kp.org
800.611.1811

Kaiser HMO — HI

www.kp.org
808.432.5955 (Oahu)
800.966.5955 (neighbor islands)

Kaiser HMO — Mid-Atlantic

www.kp.org
800.777.7902

Kaiser HMO — Northwest OR/WA

www.kp.org
800.813.2000

Tufts EPO — MA

www.tuftshealthplan.com
800.462.0224

UPMC Health Plan HMO — PA

www.upmchealthplan.com
888.876.2756

Make Your Annual Enrollment Choices on UPoint *November 7-18.*

UPoint

<http://resources.hewitt.com/mckesson>

Your online destination for enrolling, reviewing and managing your Total Rewards.

HR Support Center ○.....

855.GO.MCKHR (855.466.2547)

Press 1 for the McKesson Benefits Center for Health, Vitality and Pension questions. Benefit experts are available 7 a.m. - 6 p.m. Central time, M-F.

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

Total Rewards Library

www.mckesson.com/totalrewardslibrary

Access Annual Enrollment information, including the **Annual Enrollment Prep** page, from any computer or mobile device connected to the internet.

Call the HR Support Center for:

- Answers to general questions about all of your coverage options
- Guidance about eligibility and enrollment
- Help resetting your UPoint password

Speak with a Personal Health Advocate

If a benefit expert can't answer your questions, a Personal Health Advocate will contact you within 24-48 hours.

