This Guide summarizes the University of Rochester’s Health Care Plans effective on January 1, 2008. Subject to certain regulatory constraints, the University reserves the right to modify, amend or terminate the plans at any time, including actions that may affect coverage, cost-sharing, or covered benefits.
Your New Features Guide to the 2008 Health Care Plans
As announced in the August 6 Currents (Health Care Special Edition), the University of Rochester is introducing four new health care plans in 2008 that will replace the existing health care plans. (Coverage under the current health care plans will end December 31, 2007.)

In January, President Joel Seligman assigned a task force to review the University’s employee health care plans with the goal of offering affordable, competitive health insurance to faculty and staff while looking at ways to control rising costs. The plan he envisioned offers coverage that will help the University recruit and retain high-quality faculty and staff while also encouraging them to develop healthier lifestyles.

What you’ll find for 2008 is a new health care program that is designed to:
- Help you more effectively manage personal health care costs,
- Encourage you to develop a healthier lifestyle,
- Give you flexibility in making health care decisions,
- Provide equitable and affordable health care coverage choices to faculty and staff, and
- Help the University manage its health care costs.

Important for 2008

All eligible faculty and staff must make an election for health care coverage.

Open Enrollment for Health Care Plans, Dental Plans and Flexible Spending Accounts runs from September 17 to October 31, 2007.

Coverage under the new health care plans will be effective January 1, 2008.
Plans Designed with You in Mind

When it comes to health care, everyone has different needs; some people rarely see the doctor, while others need regular medical attention. Because the University appreciates that your needs are unique, we designed a variety of health care plans that allow you to select the one that best meets your needs. We developed this Guide to help you better understand your health care choices and prepare you for your upcoming decision to elect health care coverage.

In the coming month, you will receive additional detailed information about the new health care plans. For up-to-date information, visit the UR Benefits Website at www.rochester.edu/news/benefits.
The 2008 health care plans include a number of new features that support the University’s goals of fostering a culture of wellness, reducing health care expenses, and having you take an active role in personal health management. The key features of the four plans are outlined in the remainder of this Guide.

The New Plans...

ARE ALL PPOs
All of the new health care plans have one thing in common—they are all Preferred Provider Organizations (PPOs)—health plans that feature a network of doctors, hospitals and other providers. There is a PPO with a high deductible; a PPO with a low deductible; a PPO with a Health Savings Account; and a fourth plan that retains the copay arrangement used in several of the current plans.

PROMOTE HEALTHY BEHAVIORS
One of the best ways to stay healthy is by practicing prevention. This means living a healthy lifestyle by eating right and being active, and taking advantage of preventive tests and screenings to detect health problems when they are most treatable.

A new plan feature has been added to all of the University Health Care Plans. Under the new plans, all preventive services received in-network are covered at 100%. That means you can receive in-network preventive care for free. For a listing of all preventive care services that will be covered at 100%, visit the UR Benefits Website at www.rochester.edu/news/benefits.

ENCOURAGE RESPONSIBLE HEALTH CARE SPENDING
The University structured three of the new plans to include deductibles and coinsurance. A deductible is the amount you pay before the plan starts to pay benefits—it’s similar to how your car insurance deductible works. Coinsurance is how much the plan pays—as represented by a percentage—for a health care expense once you have met your deductible. For example, if the plan’s coinsurance is 80% and you are charged $100 for a visit to your doctor—assuming you already met your deductible—the plan would pay $80, while you would pay the remaining $20.

All four plans include copays for prescription drug coverage. For the University High and Low Deductible Plans and the University Copay Plan, this copay is not subject to the plans’ deductible, coinsurance, or out-of-pocket maximum.

LIMIT YOUR OUT-OF-POCKET EXPENSES
The University remains dedicated to ensuring you have access to comprehensive and quality

Continue Seeking Care from Your Doctor
When you enroll for 2008 health care coverage, you get to choose the third-party administrator (TPA) for your plan—either Aetna or Excellus BlueCross BlueShield. These are the same administrators for the existing health care plans.

If you currently seek care from a doctor who is a member of your TPA’s network, you benefit from receiving coverage at in-network rates under the new plans. If you’d like to find out if your physician, or other providers and facilities are members of either the Aetna or Excellus network, visit their network directories online at:

Aetna www.aetna.com
Under Shortcuts, select Find a Doctor and then select Go to DocFind. When prompted for a plan, select Aetna Open Access Plans and Aetna Choice POS II.

Excellus www.excellusbcbs.com
Select Find a Doctor (located at the bottom of the page), then click on Nationwide Provider Search-BlueCard.
health care coverage at an affordable price. To help limit the amount you have to pay for health care services, the University added an out-of-pocket maximum—three of the plans.

For example, if a plan has an out-of-pocket maximum of $1,500, this means that you will pay no more than $1,500 over the plan year in deductibles and coinsurance. When you reach this out-of-pocket maximum—in this case, after you’ve paid a total in deductibles and coinsurance of $1,500—the plan pays 100% of eligible expenses for the remainder of the calendar year.

Your actual out-of-pocket maximum depends on which health care plan you select, and whether services are received from in- or out-of-network providers. (Prescription drug costs do not apply to the deductible and out-of-pocket maximum under the University High and Low Deductible Plans and the University Copay Plan.)

Promote In-Network Care

With a PPO plan, you can seek care from any provider you choose and still receive coverage. In-network providers, however, have contracted with the third-party administrators (TPAs)—either Aetna or Excellus BlueCross BlueShield—to offer health care services at negotiated, discounted fees. This generally results in lower out-of-pocket costs for you when you visit an in-network provider.

Help You Benefit from the Tax-Savings of an FSA

Contributing to a Health Care Flexible Spending Account (FSA) can help you manage your share of health care costs, including the deductibles, coinsurance, and copays you’ll make under the University health care and dental plans. When you contribute to an FSA, you set aside pre-tax dollars to pay for eligible health care, dental, vision, and prescription drug expenses not reimbursed by your health care plan. This helps you lower your current taxable income since your contributions come out of your paycheck before income taxes and Social Security are calculated. Please be aware that any money you don’t spend from your FSA during the year will be forfeited at year end (under the “use it or lose it” rule).

When You See An In-Network Provider

You typically save money because:
- Network providers offer their services at a discounted rate; your coinsurance amount is lower as a result of the discounted rate.
- Services are generally reimbursed at a higher coinsurance percentage when care is received in-network.

When You See An Out-of-Network Provider

Your out-of-pocket costs are more because:
- You generally pay a higher deductible before the Plan begins to pay for care.
- Services are generally reimbursed at a lower coinsurance percentage when care is received from a non-network provider.
- You also are responsible for any amounts above what is considered reasonable and customary.*

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Give You Options Regarding Cost

Providing you with choices in how you manage your health care expenses is important to the University. You can choose from a menu of low-cost or higher-cost plans, based on your own coverage needs and how you choose to structure your costs. The plans vary in how much you are required to contribute and in how much you may have to pay out of your own pocket for health care.

Focus on Making Health Care Affordable

The new plans spread the cost of health care more evenly among faculty and staff. Those who earn more, as well as part-time faculty and staff, pay a greater share of the health care premium. Lower-paid full-time faculty and staff pay less in employee contributions and are subject to lower in-network out-of-pocket maximums under the University High and Low Deductible Plans.

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- Services are generally reimbursed at a lower coinsurance percentage when care is received from a non-network provider.
- You also are responsible for any amounts above what is considered reasonable and customary.*

* Reasonable and customary is an amount measured and determined by the TPA by comparing the actual charge for the service or supply with the prevailing charges made for it. It takes into account a number of factors, including the complexity of the service, the range of services provided, and the prevailing charge level in the geographic area where the provider is located and other geographic areas having similar health care cost experience.

1 The University Copay Plan is not subject to any in-network deductibles or coinsurance.
2 The University Copay Plan is not subject to an out-of-pocket maximum.
3 Well care (preventive care) is not covered out-of-network.
As you assess your health care usage and needs for the upcoming year, you may want to consider a new type of plan—the University HSA-Eligible Plan. This Plan is similar in design to the University High and Low Deductible Plans, but offers the option to contribute to a Health Savings Account (HSA).¹

Only those who elect to enroll in the HSA-Eligible Plan will be eligible to contribute to an HSA. If you contribute to an HSA, you will not be eligible for the Health Care Flexible Spending Account (FSA), however, you may participate in a Limited Purpose FSA.² If you have an HSA, you (and your spouse, if you have family coverage) generally cannot have any health coverage other than an HSA-eligible plan.³ If your spouse contributes to a Health Care FSA, you cannot contribute to an HSA.

HOW AN HSA WORKS

The HSA is similar to the FSA; both let you set aside funds to cover health-related expenses that are not covered under your health care plan. Contributions to both a Limited Purpose Health Care FSA and an HSA are deducted from your pay before federal and state income taxes are assessed, and you can use funds in these accounts to be reimbursed tax-free for your eligible out-of-pocket health care expenses.

The HSA differs from the Health Care FSA in the following ways:

- You can use the money in your HSA to pay for eligible health care expenses you incur at any time after the HSA is established. Eligible expenses are not limited to a specific calendar year.
- Your account balance carries over and builds from one year to the next (no “use it or lose it” rule).
- You also can choose to make after-tax contributions to an HSA directly (not through payroll deductions) and deduct the contributions on your tax return up to the IRS limit.
- You own your HSA—if you leave the University of Rochester, your HSA goes with you.
- You can withdraw money from your HSA for any reason (not just health care expenses). You pay no taxes on money used to pay for eligible health care expenses. However, you will pay regular income taxes plus a 10% penalty on any withdrawals that are not for health care expenses.
- You withdraw the money directly from your HSA. There are no claims to submit; however, you should keep documentation of the eligibility of your expenses.
- You can use any remaining HSA balance to pay for eligible post-retirement health care expenses or premiums for Medicare Parts B or D, but not for a Medigap policy.

The IRS places limits on what you can contribute to an HSA. More details will be provided in your Open Enrollment Decision Guide, which will be mailed to your home in mid-September.

¹ The University HSA-Eligible Plan also differs from the University High and Low Deductible Plans in that prescription drugs are subject to the deductible and out-of-pocket maximum. Additionally, the family deductible and out-of-pocket maximum is calculated as an “aggregate” that is equal to two times the single deductible and out-of-pocket maximum amount. This is an aggregate that must be met even if only one family member is incurring expenses.

² When you enroll in an HSA, you may contribute to a Limited Purpose FSA to pay for vision and dental expenses with pre-tax dollars. You have the ability to use the HSA to pay for other eligible health care expenses with pre-tax dollars.

³ For 2008, the federal government generally defines an HSA-eligible plan as those with an individual deductible of at least $1,100, or family deductible of at least $2,200. Other requirements must be met as well.
The University of Rochester pays for about 80% of the cost of your health care coverage, on average. You pay the remaining 20% through payroll deductions. What affects how much value you get out of your benefits are the decisions you make about how you use your health care, such as whether you get routine checkups or take advantage of mail-order prescription programs.

The new plans are intended to support you in making wise decisions each day to improve your health and get the most out of your health care dollars. After all, your plan choice and health care decisions will affect how much you will pay for health care expenses.

BECOMING AN ACTIVE HEALTH CARE CONSUMER
Throughout the year, you can actively manage your health care and become an educated and responsible consumer if you:

Understand costs. Be aware of costs for health care services and prescription drugs, as well as the ways you can save.

Choose your plan and providers carefully. Use available resources to pick a health care plan and providers that are best for you and your family.

Consider self-care. Know when a problem can be treated at home and when to see a doctor.

Practice prevention and know about early detection. Get regular checkups, preventive screenings, and tests.

Talk with providers. Share information openly with doctors and ask questions.

Manage chronic conditions actively. Follow treatment plans for chronic illness and work to prevent or minimize further symptoms.

Seek health care facts. Look for reliable health care data on the web, in magazines, from doctors and from other credible sources.

Live a healthy life. Eat right, exercise, and avoid unhealthy actions.