

HEALTH CARE

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Health care changes: What you need to know

As the open enrollment period begins, employees will see changes resulting from the federal Health Care Reform legislation approved last March and the University's continuing efforts to control costs in an environment where they are constantly escalating.

"The overall costs of health care continue to rise and, like most institutions, we work hard to find the balance between keeping health care

costs affordable for our employees and their families and balancing the University's needs to control its costs and grow as an organization," says President Joel Seligman.

"While we have had to increase costs for employees, we have also tried to keep the increases manageable and to offer plans and



Prevention and wellness

As it works to control costs, the University is putting extra focus on prevention and wellness initiatives.

"Prevention, rather than treatment of disease is not only a less expensive approach, but a smarter way to deliver care," says Chuck Murphy, associate vice president for human resources. "Early diagnosis is one of the best ways to avoid chronic disease and all the costs associated with it."

that period—the fastest growing costs in the University budget.

However, the University has been making progress in slowing the growth of health care costs. From 1998 to 2007, health insurance costs, excluding the impact of population growth, grew at an annual rate of almost 13 percent. With the implementation of new health care plans and wellness initiatives, the annual cost increase has slowed to just over 5 percent since 2007.

Adding to the pressure on costs is the provision under the federal Health Care Reform legislation passed in March allowing adult children without access to other coverage to be covered under their parents' health insurance plans until the age of 26. According to national estimates, about 30 percent of young adults under the age of 26 have no health insurance at all.

In addition to these changes, the University will reach the goal it announced three years ago of gradually increasing employee contributions to about 20 percent of health care costs. Employee contributions, which currently fund about 18.8 percent of the overall health care costs, will increase to about 20 percent.

"This cost-sharing percentage is consistent with other major employers in the community," Seligman says.

While costs have increased, the University's move to self-insurance has helped protect it from some of the larger increases seen in community-rated plans, he says.

For employees who earn less than \$44,100, the University will provide an increased subsidy for health care costs to ensure that those employees can receive health insurance if they need it at affordable rates.

Access to preventive care is a key component of the University health plans. All plans will continue to provide full coverage for all in-network preventive care. In addition, the University is offering financial incentives for participation in prevention and wellness initiatives. Faculty, staff members, spouses or domestic partners, and non-Medicare eligible retirees who are enrolled in a University health care plan may be eligible for:

- \$100 for completing a Personal Health Assessment
- \$100 for completing a Personal Wellness Program
- \$100 for completing a Personal Health Program.

See "Plans announced," page 8

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"Prevention, rather than treatment of disease is not only a less expensive approach, but a smarter way to deliver care. Early diagnosis is one of the best ways to avoid chronic disease and all the costs associated with it." —Chuck Murphy, associate vice president for human resources.

services that are competitive, if not a significant improvement, over those offered by our peers," Seligman says.

Employee contributions

Health insurance costs for the University rose from \$17 million to \$84.3 million from 1998 to 2010. The University's employment base increased substantially during that time, accounting for about 45 percent of the increase. But even with that subtracted from the total, health care costs still grew from about \$17 million to \$58 million during



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Learn more

There are many ways to find out more about the health care options available to you.

Home mailings, which began this month, provide specific details about the plans.

Updates will be posted in @Rochester throughout the open enrollment period. You can also contact the benefits office at 275-2084 or benefitoffice@rochester.edu

Open enrollment runs from Oct. 28 to Nov. 29, 2010.

What's New?

2011 Health Care Program Open Enrollment Educational Sessions Schedule

Date	Location	Time
Monday, November 8, 2010	Medical Center Flaum Atrium, Kornberg Building	9 a.m.–2 p.m.
	Advancement, Seminar Room 300 E. River Road	3–5 p.m.
Tuesday, November 9, 2010	Medical Center Flaum Atrium, Kornberg Building	7:30 a.m.–1:30 p.m.
	Eastman School Cominsky Promenade	3–5 p.m.
Wednesday, November 10, 2010	Medical Center House of Six Nations, South End	7:30–10:30 a.m.
	River Campus Bridge Lounge, Wilson Commons	3–5 p.m.
Monday, November 15, 2010	River Campus Bridge Lounge, Wilson Commons	9 a.m.–1 p.m.
	Medical Center House of Six Nations, South End	2–5 p.m.
Tuesday, November 16, 2010	Medical Center House of Six Nations, South End	9 a.m.–1 p.m.
	Laser Lab (LLE) Seminar Room	2–5 p.m.
Wednesday, November 17, 2010	Medical Center House of Six Nations, South End	10 a.m.–2 p.m.
	River Campus Bridge Lounge, Wilson Commons	3–5 p.m.



Excellus is new pharmacy benefit manager

Effective April 1, Excellus will be the Pharmacy Benefit Manager for all prescription drug coverage.

You will continue to receive prescription drug coverage when you choose a University health care plan, and the plan design will remain the same as 2010. The only change is that prescription drug benefits will be managed by Excellus regardless of whether your health plan is administered by Aetna or Excellus. The Excellus drug formulary will be used to determine the copay you pay for your medication. The Aetna drug formulary will no longer be used. You will receive a new pharmacy benefits card by April 1.

If you are currently enrolled with Aetna, you will be transitioned to the new pharmacy benefit manager with no gap in care. Details on the transition and how it may affect you will be sent to you soon.

“The pharmacy plan is a separate plan that will provide better service at a substantial savings for the University,” says Chuck Murphy, associate vice president for human resources.

Employee pharmacy offers new delivery service

Beginning in January, those who work outside the Medical Center campus will be eligible to receive free prescription delivery services from the Employee Pharmacy in the Medical Center.

Employees at the River Campus, Clinton Crossings, Corporate Woods, Eastman School, Brooks Landing, and

Red Creek will be able to order their prescriptions from the pharmacy and have them delivered to their workplace by University courier service.

Employees enrolled in one of the University’s health care plans receive a 25 percent discount off their copays if filling their prescriptions through the Employee Pharmacy.

Those not enrolled in one of the University’s health care plans can still use the delivery service but will not receive the discount. Payment for prescriptions will be limited to credit cards, and payments will be processed online. More information will follow.

Changes to HSA

If you are enrolled in the University’s HSA-Eligible Plan, you can elect to participate in a 2011 Health Savings Account. It’s like a personal, tax-free savings account for health care expenses that earns interest. For 2011, you can contribute up to \$3,050 for just yourself or up to \$6,150 for your family. Any unused money can be rolled over from year to year.

There are several changes in store for HSAs under the federal Health Care Reform legislation passed in March 2010:

- Beginning Jan. 1, 2011, you’ll need a prescription to use HSA dollars to pay for over-the-counter medications. In previous years, you could use your HSA to pay yourself back for over-the-counter items such as cough, cold, and flu remedies, allergy and sinus medicine, digestive aids, sleep aids, and other products. Ask your doc-

tor for a prescription for these medications.

Although dependents up to age 26 can be covered by your health plan in 2011, the tax law did not change the definition of dependents for HSAs. You could have an adult dependent covered under your health plan who is not a dependent for tax purposes. If you use pre-tax dollars from your HSA to pay for health care expenses for a non-tax dependent child, you’ll be subject to a penalty plus taxes for any related expenses. To avoid tax issues, your covered adult dependent child may open his or her own HSA and contribute up to the allowed family maximum of \$6,150 for 2011.

The penalty for nonqualified expenses is higher. Effective Jan. 1, 2011, the penalty for using HSA funds for nonqualified medical expenses will be increased from 10 percent to 20 percent. See the Aetna member Web site or visit the IRS Web site (www.irs.gov) for a copy of Publication 502.

For more information, consult the 2011 edition Health Program Decision Guide at www.rochester.edu/benefits/health or call the Benefits Office at ASK-URHR (275-8745).

Changes to FSA

Flexible Spending Accounts (FSAs) offer another way to save on eligible health care or dependent care expenses. You can choose how much to contribute for the plan year, and your contributions are automatically deducted from your paycheck in equal amounts—before taxes—and deposited into your FSA. For 2011, you can con-

tribute up to \$6,500 to a Health Care FSA and up to \$5,000 to a Dependent Care FSA.

You are reimbursed from the account for eligible expenses. The accounts give you an opportunity to set aside and use tax-free dollars for eligible expenses while reducing your taxable income and increasing your take-home pay.

As of Jan. 1, 2011, you will need a doctor’s prescription when you use your Health Care FSA dollars to pay for certain over-the-counter medicines. Other health care products, such as contact lens solutions or bandages, can be purchased with FSA money without a prescription.

Details are available at the IRS Web site, (<http://bit.ly/bm2xva>).

To use your FSA:

- Ask your doctor for a prescription, even if it is an over-the-counter product.
- Pay for the item.
- Download a FSA claim form at www.aetnafsa.com or www.excellusbcs.com or the Benefits Office Web site at <https://www.rochester.edu/working/hr/benefits/forms.html>.
- Send your cash register receipt, the prescription, and a completed claim form to the address on the claim form.
- The money will be deducted from your FSA. Your reimbursement will be deposited directly to your bank account, or you will receive a check.

For more information, visit www.aetnafsa.com or www.excellusbcs.com, consult the 2010 Health Program Decision Guide at www.rochester.edu/benefits/health, or call ASK-URHR (275-8745).

Dental plan changes

Based on employee feedback, the University is making changes to its two dental plans.

Effective Jan. 1, 2011, both the Traditional Assistance Dental Plan and the Medallion Dental Plan will provide extended coverage for some dental services.

Effective

Jan. 1, 2011, both the Traditional Assistance Dental Plan and the Medallion Dental Plan will provide extended coverage for some dental services.

for employees and this also underscores our focus on prevention and wellness.”

Also new this year:

- Those enrolled in the Traditional Dental Assistance Plan will contribute to the premium for 2011 through pre-tax payroll deductions. Prior to 2011, the traditional plan was provided to employees and their families at no cost to the employee.

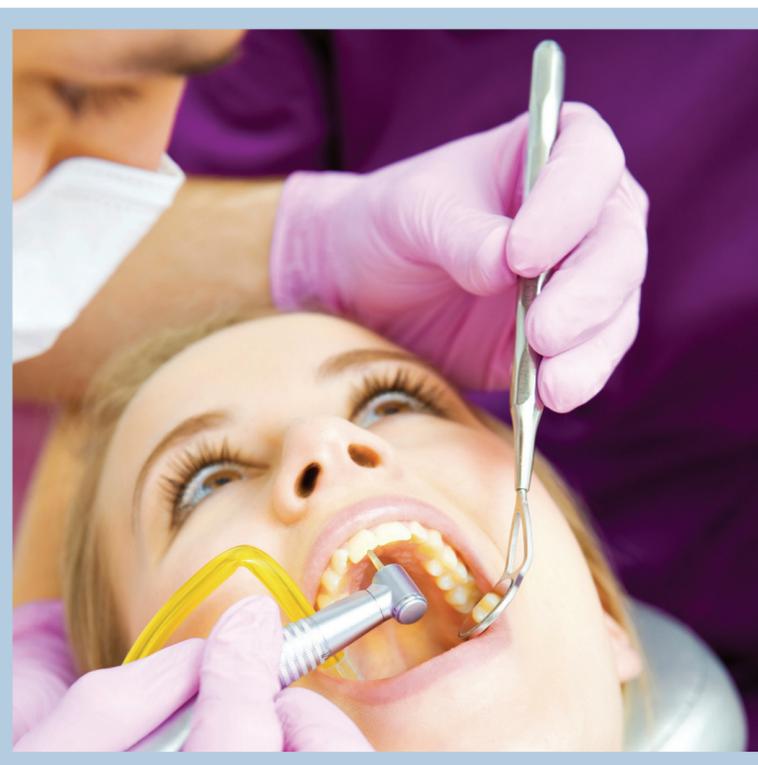
- Dental coverage will extend for enrolled children until age 26. Although federal Health Care Reform does not require it, the University is using the same definition for children that applies to the medical plans.

- Under the 2011 Traditional plan, major restorative services, such as crown restoration, will be covered at 15 percent after the deductible is met. In 2010, the services were reimbursed at an average of 30 percent.

If you’re already enrolled in either dental plan, you will continue to be enrolled unless you decide to change plans or waive coverage. New employees’ dental coverage will be waived if they do not make an election to enroll in one of the two plans.

Coverage under both plans has improved—now providing coverage for up to 80 percent for basic services, such as fillings and extractions.

“There’s still 100 percent coverage for preventive care if it’s provided by a participating Excellus BCBS dentist,” says Chuck Murphy, associate vice president for human resources. “We feel that is very important



University Dental Plans

The rates represented below reflect the amount that would be deducted each month from employees’ paychecks from Jan. 1–Dec. 31, 2011.

University Dental Plans	SINGLE	FAMILY
	Monthly	Monthly
Traditional Dental Plan	\$3.40	\$6.98
Medallion Dental Plan	\$10.74	\$22.02

University health care plans: How they work and what it means for you

University High Deductible Plan

The High Deductible Plan provides a higher deductible and out-of-pocket maximum, which requires the member to potentially pay higher overall costs for services incurred under the plan. However, there are lower payroll deductions associated with enrollment.

Deductible¹	SINGLE	FAMILY
In-Network	\$500	\$1,250
Out-of-Network	\$1,000	\$2,500
Out of Pocket Maximum²	SINGLE	FAMILY
In-Network (Earning less than \$44,100)	\$1,500	\$3,750
In-Network (Earning \$44,100 or more)	\$2,000	\$5,000
Out-of-Network	\$4,000	\$10,000
Coinsurance	80% In-Network / 60% Out-of-Network	
Office Visit (PCP and Specialist)	Subject to deductible and coinsurance	
Well Care (Preventive Care)³	100%, no deductible	
Flexible Spending Account (FSA)	FSA Eligible Limit \$6,500	
Lifetime Maximum	Unlimited	
Prescription Drugs⁴		
Retail (30 days supply)	\$10/\$25/\$40	
Mail Order (90 days supply)	2.5 times retail	

1 Rx does not count toward deductible
2 Rx not included/Includes deductible
3 Not covered out-of-network
4 Not subject to out-of-pocket maximum

University Low Deductible Plan

The Low Deductible Plan provides a lower deductible and out-of-pocket maximum, which means lower overall costs for services incurred under the plan. However, there are higher payroll deductions associated with enrollment.

Deductible¹	SINGLE	FAMILY
In-Network	\$200	\$500
Out-of-Network	\$400	\$1,000
Out of Pocket Maximum²	SINGLE	FAMILY
In-Network (Earning less than \$44,100)	\$1,000	\$2,500
In-Network (Earning \$44,100 or more)	\$1,500	\$3,750
Out-of-Network	\$3,000	\$7,500
Coinsurance	90% In-Network / 70% Out-of-Network	
Office Visit (PCP and Specialist)	Subject to deductible and coinsurance	
Well Care (Preventive Care)³	100%, no deductible	
Flexible Spending Account (FSA)	FSA Eligible Limit \$6,500	
Lifetime Maximum	Unlimited	
Prescription Drugs⁴		
Retail (30 days supply)	\$10/\$20/\$35	
Mail Order (90 days supply)	2.5 times retail	

1 Rx does not count toward deductible
2 Rx not included/Includes deductible
3 Not covered out-of-network
4 Not subject to out-of-pocket maximum

University HSA-Eligible Plan

The HSA-Eligible plan combines the highest deductible and out-of-pocket maximum with the lowest monthly payroll deductions. Individuals enrolled in this plan must be prepared, in the event of a catastrophic illness or injury, to pay up to the out-of-pocket maximum outlined below. An HSA plan, similar to an FSA plan, to which employees contribute pre-tax dollars, is available.

Deductible¹	SINGLE	FAMILY
In-Network	\$1,200	\$2,400
Out-of-Network	\$1,200	\$2,400
Out of Pocket Maximum²	SINGLE	FAMILY
In-Network	\$2,400	\$4,800
Out-of-Network	\$2,400	\$4,800
Coinsurance	80% In-Network / 80% Out-of-Network	
Office Visit (PCP and Specialist)	Subject to deductible and coinsurance	
Well Care (Preventive Care)³	100%, no deductible	
FSA/HSA	HSA Eligible 2011 limits: Single \$3,050/Family \$6,150	
Lifetime Maximum	Unlimited	
Prescription Drugs⁴		
Retail (30 days supply)	\$10/\$30/\$50	
Mail Order (90 days supply)	2.5 times retail	

1 Rx subject to deductible
2 Rx included/Includes deductible
3 Not covered out-of-network
4 Subject to deductible and out-of-pocket maximum

University Copay Plan

The Copay plan requires the highest monthly payroll deductions, but provides the lowest cost for services incurred under the plan, in most cases.

Deductible¹	SINGLE	FAMILY
In-Network	\$250 ⁵	\$250 ⁵
Out-of-Network	\$400	\$1,000
Out of Pocket Maximum²	SINGLE	FAMILY
In-Network	None	None
Out-of-Network	\$3,000	\$7,500
Coinsurance	100% In-Network / 70% Out-of-Network	
Office Visit (PCP and Specialist)	In-Network Co-pay: \$20/\$30 Out-of-Network: Subject to deductible and coinsurance	
Well Care (Preventive Care)³	100%, no copay	
Flexible Spending Account (FSA)	FSA Eligible Limit \$6,500	
Lifetime Maximum	Unlimited	
Prescription Drugs⁴		
Retail (30 days supply)	\$10/\$20/\$35	
Mail Order (90 days supply)	2.5 times retail	

1 Rx does not count toward deductible
2 Rx not included/Includes deductible
3 Not covered out-of-network
4 Not subject to out-of-pocket maximum
5 Applies to in-patient admission

Employee Contributions (Monthly Pre-Tax Payroll Deductions)

	Single	Family	Employee and Child(ren)	Employee and Spouse/ Domestic Partner
Full-time, Earns Less Than \$44,100	\$15.52	\$46.54	\$27.94	\$34.14
Full-time, Earns \$44,100–\$110,100*	\$53.62	\$160.88	\$96.54	\$117.98
Part-time, Earns Less Than \$110,100†	\$88.14	\$264.44	\$158.68	\$193.92
Full-time/Part-time, Earns More Than \$110,100	\$122.66	\$368.00	\$220.80	\$269.86

* Also, part-time earning less than \$110,100 with more than 5 years of service

Employee Contributions (Monthly Pre-Tax Payroll Deductions)

	Single	Family	Employee and Child(ren)	Employee and Spouse/ Domestic Partner
Full-time, Earns Less Than \$44,100	\$52.76	\$158.24	\$95.02	\$116.04
Full-time, Earns \$44,100–\$110,100*	\$92.38	\$277.10	\$166.26	\$203.20
Part-time, Earns Less Than \$110,100†	\$127.00	\$380.94	\$228.58	\$279.38
Full-time/Part-time, Earns More Than \$110,100	\$161.60	\$484.80	\$290.90	\$355.52

† with less than 5 years of service

Employee Contributions (Monthly Pre-Tax Payroll Deductions)

	Single	Family	Employee and Child(ren)	Employee and Spouse
Full-time, Earns Less Than \$44,100	\$7.88	\$23.62	\$14.18	\$17.32
Full-time, Earns \$44,100–\$110,100*	\$8.18	\$24.50	\$14.70	\$17.98
Part-time, Earns Less Than \$110,100†	\$41.82	\$125.46	\$75.28	\$92.02
Full-time/Part-time, Earns More Than \$110,100	\$75.48	\$226.42	\$135.84	\$166.04

Employee Contributions (Monthly Pre-Tax Payroll Deductions)

	Single	Family	Employee and Child(ren)	Employee and Spouse
Full-time, Earning Less Than \$44,100	\$68.66	\$205.96	\$123.58	\$151.04
Full-time, Earning \$44,100–\$110,100*	\$108.94	\$326.84	\$196.10	\$239.68
Part-time, Earning Less Than \$110,100†	\$143.64	\$430.90	\$258.54	\$316.00
Full-time/Part-time, Earns More Than \$110,100	\$178.32	\$534.96	\$320.98	\$392.30

Employee examples

Salary and expected annual health care costs will determine which plan works best for you. Visit <https://yourhealth.rochester.edu/>.

Scott's Choice

Scott is single and tends to seek health care services infrequently.



Profile
Age: 25
Status: Full-time
Salary: \$34,000
Coverage level: Single

Expected in-network health care during year:
• One physical exam
• One additional doctor visit
• One prescription drug purchase

What each plan will cost Scott

University Low Deductible	University High Deductible
Contributions \$ 633	Contributions \$ 186
Cost of care \$ 110	Cost of care \$ 110
Out of pocket maximum \$ 1,000	Out of pocket maximum \$ 1,500
Scott's total cost \$ 743	Scott's total cost \$ 296
University HSA-Eligible	University Copay
Contributions \$ 95	Contributions \$ 824
Cost of care \$ 115	Cost of care \$ 30
Out of pocket maximum \$ 2,400	Out of pocket maximum N/A
Scott's total cost \$ 210	Scott's total cost \$ 854

The out-of-pocket maximum includes deductibles and coinsurance (and excludes the costs for prescription drugs for the Low and High Deductible Plans).

Alicia's Choice

Alicia is married with four children. Her family tends to seek health care services frequently.



Profile
Age: 48
Status: Full-time
Salary: \$54,000
Coverage level: Family

Expected in-network health care during year:
• Two physical exams
• Four well-child exams
• Ten additional doctor visits
• Two hospital visits
• Three emergency room visits
• Eight prescription drug purchases

What each plan will cost Alicia

University Low Deductible	University High Deductible
Contributions \$ 3,922	Contributions \$ 1,931
Cost of care \$ 2,935	Cost of care \$ 5,185
Out of pocket maximum \$ 3,750	Out of pocket maximum \$ 5,000
Alicia's total cost \$ 6,857	Alicia's total cost \$ 6,931
University HSA-Eligible	University Copay
Contributions \$ 294	Contributions \$ 3,922
Cost of care \$ 4,400	Cost of care \$ 1,090
Out of pocket maximum \$ 4,800	Out of pocket maximum N/A
Alicia's total cost \$ 4,694	Alicia's total cost \$ 5,012

The out-of-pocket maximum includes deductibles and coinsurance (and excludes the costs for prescription drugs for the Low and High Deductible Plans).

Ron's Choice

Ron, his wife, and two children stayed healthy over the year and only sought minimal care.



Profile
Age: 32
Status: Full-time
Salary: \$38,000
Coverage level: Family

Expected in-network health care during year:
• Two child and two adult well/preventive visits
• One additional doctor visit
• One prescription drug purchase

What each plan will cost Ron

University Low Deductible	University High Deductible
Contributions \$ 1,899	Contributions \$ 559
Cost of care \$ 110	Cost of care \$ 110
Out of pocket maximum \$ 2,500	Out of pocket maximum \$ 3,750
Ron's total cost \$ 2,009	Ron's total cost \$ 668
University HSA-Eligible	University Copay
Contributions \$ 286	Contributions \$ 2,472
Cost of care \$ 115	Cost of care \$ 30
Out of pocket maximum \$ 4,800	Out of pocket maximum N/A
Ron's total cost \$ 401	Ron's total cost \$ 2,502

The out-of-pocket maximum includes deductibles and coinsurance (and excludes the costs for prescription drugs for the Low and High Deductible Plans).

Kim's Choice

Kim maintains a healthy lifestyle and works out regularly, but recently broke her leg.



Profile
Age: 37
Status: Full-time
Salary: \$52,000
Coverage level: Employee plus spouse

Expected in-network health care during year:
• Three specialist visits and x-rays
• One emergency room visit
• Crutches, soft boot and other durable medical equipment
• Six physical therapy visits
• One prescription drug purchase

What each plan will cost Kim

University Low Deductible	University High Deductible
Contributions \$ 2,438	Contributions \$ 1,416
Cost of care \$ 421	Cost of care \$ 871
Out of pocket maximum \$ 3,000	Out of pocket maximum \$ 5,000
Kim's total cost \$ 2,859	Kim's total cost \$ 2,287
University HSA-Eligible	University Copay
Contributions \$ 216	Contributions \$ 2,876
Cost of care \$ 2,224	Cost of care \$ 330
Out of pocket maximum \$ 4,800	Out of pocket maximum N/A
Kim's total cost \$ 2,440	Kim's total cost \$ 3,206

The out-of-pocket maximum includes deductibles and coinsurance (and excludes the costs for prescription drugs for the Low and High Deductible Plans).

Money smarts: Ways to trim health care costs



While health care premiums will increase, a number of free tools, services, and offerings can help put cash back in your wallet. Try a couple, and you could lower your overall wellness-related expenditures next year.

1 Fill out an online health assessment

If you and your spouse or domestic partner are enrolled in a University health care plan, you can complete a free, Web-based health assessment in exchange for a \$100 paycheck bonus (\$125 for early birds who complete the assessment by March 31). This confidential survey gauges your level of

wellness and could qualify you for lifestyle and disease management programs tailored to your health needs. It's important to note that this year, to receive the assessment bonus, you'll need to plug in accurate data for your cholesterol levels, blood pressure score, and other key readings. Don't know your numbers? A fast and free biometric screening can supply them. Watch for more information about the health assessment and related screenings in the new year.

2 Spare yourself an unnecessary office visit—and copay

As part of the University's partnership with Carewise Health, you have free access to a trusted, 24/7 nurse line. Whether you have a general health question or want support managing a chronic condition, you can make a free call to 1-877-598-3967. A nurse will be standing by.

3 Complete a Chronic Condition or Lifestyle Management program

The data you submit via your personal health assessment could qualify you for a Chronic Condition (asthma control, diabetes, heart disease, etc.) or Lifestyle Management (smoking cessation, stress management, etc.) program. Options range from face-to-face programming at the new Healthy Living Center, to telephonic or electronic interventions, through the Healthy Living Center or Carewise. In addition to possible monetary incentives for completing the programs (usually \$100), you may qualify for discounted prescription drugs to treat these conditions.

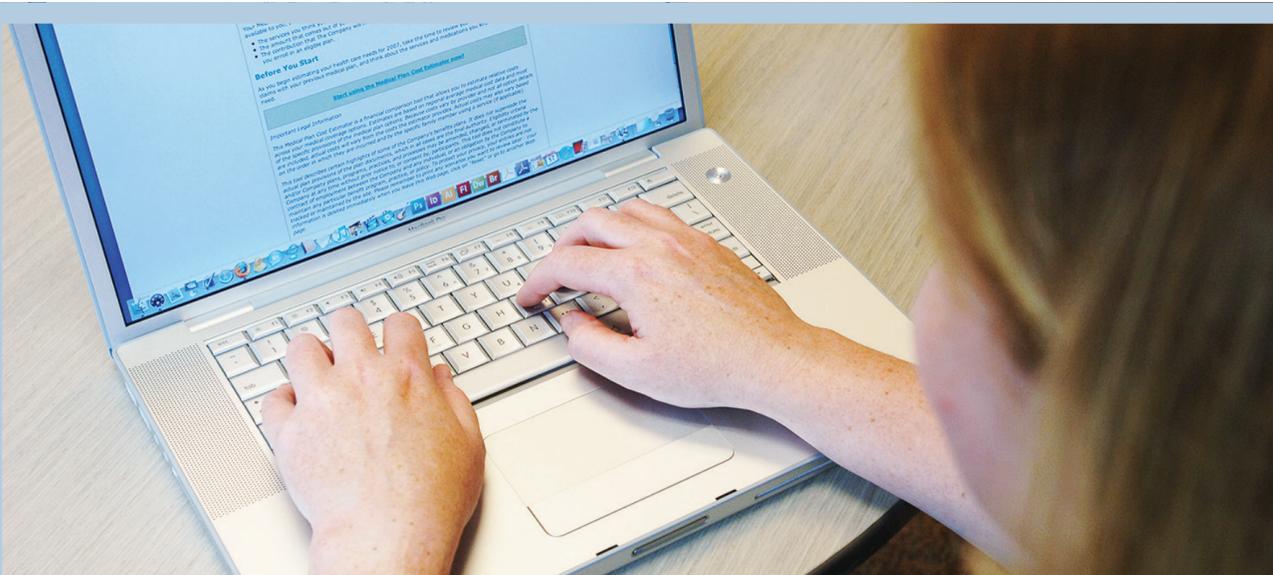
4 Save up to 25 percent on prescription copays

The University's Employee Pharmacy, housed in the Medical Center, promises potential savings for employees and their families who are enrolled in University health care

plans (read more on page 3). It's also convenient, with four customer parking spots in the Crittenden Loop (directly across from Helen Wood Hall). Employees covered by the three-tier copay structure under University health care plans, for instance, will receive a 25 percent reduction in copays. To learn more, call 276-3900.

5 Stay fit with Well-U

An ounce of prevention goes a long way in cutting health care costs and staying well. Well-U, the University's award-winning employee wellness program, can show you how with offerings like workplace yoga, free flu shot clinics, healthy eating challenges, and more. To learn more, visit www.rochester.edu/working/hr/wellness.



FIND THE BEST PLAN FOR YOU

There are online resources available to faculty and staff to help them review their health care costs from last year and to determine which plan offers the right coverage at the right price.

Health Plan Cost Estimator

The online tool will help faculty and staff compare plans and to determine:

- Total out-of-pocket costs they can expect under each University health care plan
- Best overall deal by factoring in paycheck contributions and other costs
- Which plan works best for them based on their specific health care needs
- Out-of-pocket maximums
- Possible tax savings available through a health care flexible spending account.

Accessing your health claim history

Employees can access past claims for themselves and their covered dependents online through Aetna or Excellus—the third-party administrators for the University health care plans.

- For Aetna: employees can review health care expenses through Aetna Navigator, www.aetna.com.
- For Excellus: visit www.excellusbcs.com.

FAQ: Health care plans

Do employees have to choose a new health care plan for 2011?

No. If you're happy with your current health plan, no action is needed. The open-enrollment period provides you with a chance to change plans, if desired.

When is the open-enrollment period?

The University's 2011 Health Care Program Open Enrollment will be held Thursday, Oct. 28, through Monday, Nov. 29, 2010.

How do I make changes to my current plan?

Make your 2011 health, dental, FSA, and HSA changes and elections online at <http://rochester.edu/people> during open enrollment.

What are the plans offered?

There are four health care plans for employees to choose from. The plans are designed to provide an equitable distribution of costs across all employee levels but also provide plenty of flexibility for people to find a plan that works well for them.

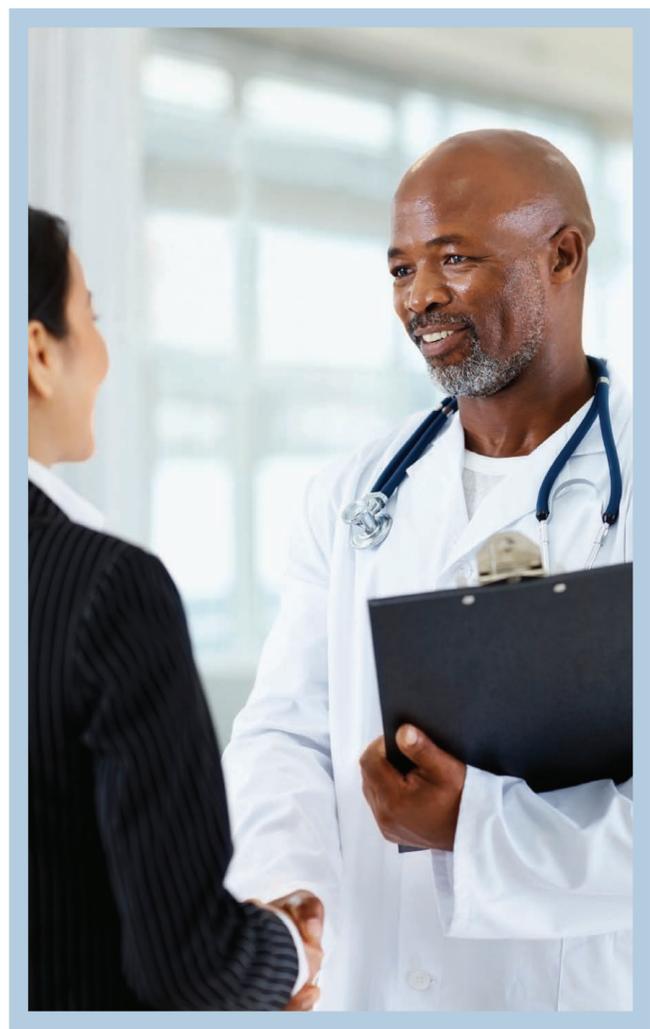
The four plans are Preferred Provider Organization (PPO), which include a a low deductible plan, a high deductible plan, a HSA-eligible account, and a copay plan.

Will I be able to use my doctor?

Yes. Aetna and Excellus will continue to be the University's third-party administrators (TPA), and both offer national provider networks. Under the four options, you will have the freedom to visit any provider you choose, no matter which option you select. But if your doctor is a participating provider in Aetna's or Excellus's networks, you will generally save on out-of-pocket expenses. Visit Aetna's Web site, www.aetna.com, and the Excellus Web site, www.excellusbcs.com, to view the doctors and facilities that are participating in-network providers for each TPA.

Can I add my young adult child back as a dependent under my health care plan for 2011?

Under federal health care reform legislation, you can add your biological child, stepchild, adopted child, or foster child up to age 26 as a covered dependent if he or she does not have access to other employer health coverage (except another parent's coverage). Though not covered under federal health care reform, you can also continue coverage for other recognized children (unmarried grandchildren, nieces, nephews, or other children) up to age 24 who live with you in a parent-child relationship, whom you claim as a federal tax dependent, and who does not have access to other employer health coverage. (You will need to complete a Dependent Verification Form to continue coverage



for other recognized children. The form can be found on the Benefits Office Web site, www.rochester.edu/benefits.)

Do all employees—regardless of their salary—have to contribute the same amount under the plans?

The health care plan task force was careful to make sure that the costs of health care did not fall disproportionately on any single group of full-time employees. Full-time faculty and staff earning less than \$44,100, for example, will pay less in payroll deductions and out-of-pocket costs, while those earning more than \$110,100 will be required to pay more.

Are flexible spending accounts still available?

Yes, they are an option for those who want to set aside a fixed amount of pre-

tax money to pay for eligible health care expenses. The accounts cover expenses in that calendar year.

What is the difference between HSA or FSA?

The University offers two types of spending accounts to help you save on taxes when you have eligible health care, dental, and/or dependent care expenses.

If you participate in a Flexible Spending Account, you choose how much to contribute for the plan year. Each pay period, your contributions are automatically deducted from your paycheck in equal amounts—before taxes—and deposited into your FSA. Then, when you incur an eligible expense, you get reimbursed from your account.

A Health Savings Account is like your own health care checking or savings

account. You can make pre-tax contributions through payroll deductions to your HSA. How you use the funds is up to you—you can use them to pay for eligible health care expenses until you meet your deductible, or you can save them for future expenses. You will never pay federal income taxes on your HSA as long as you use the funds for qualified health care expenses. You can contribute to a HSA only if you enroll in the University's HSA-eligible plan.

If I had a health care and/or a dependent care FSA or an HSA account in 2010, do I need to make an election in 2011?

Yes, even if you had a health and/or dependent care FSA or HSA account in 2010, you will need to make your 2011 contribution choice during open enrollment. Federal regulations require an annual election for the tax-free accounts. Carefully consider your anticipated 2011 FSA contribution needs—an FSA can't be changed during the year without a qualifying event such as the birth of a baby, marriage, or death of a spouse. Also, any FSA funds can't be rolled over to the next year. Funds not used in 2011 will be lost.

How can I estimate my health care expenses in the future?

To start the process of evaluating which plan will work best for your situation, you can access past claims online through Aetna or Excellus. The Benefits Office offers an online Health Care Cost Estimator, which can help employees calculate and analyze their expected costs under each plan. The tool is available at <https://yourhealth.rochester.edu>.

If I change my mind, can I switch plans?

Employees may change plans during the open-enrollment period that takes place each fall. In addition, changes to health care coverage are allowed within 30 days of a qualifying event—such as the birth of a baby, marriage, or death of a spouse.

What personal health and wellness programs does the University offer?

If you need guidance to make healthy changes or to help manage a chronic condition, the University has partnered with Carewise Health to offer personal wellness and personal health programs. The programs teach strategies to make appropriate lifestyle choices and changes to help you improve and manage your health and reduce symptoms related to chronic conditions. The personal health programs can help you manage asthma, diabetes, low back pain, heart disease, and more. The personal wellness program can help manage stress, tobacco dependency, weight, nutrition, and more.

Visit www.rochester.edu/working/hr/wellness to learn more.

Have a question?

There will be many opportunities to ask questions and learn more at information sessions and during open enrollment. See the schedule of information sessions on page 2. You also can contact the Benefits Office at 275-2084 or benefitoffice@hr.rochester.edu.

A reference guide to health care lingo

Not sure what a PPO or TPA is? You're not alone. This list of definitions will help you get familiar with some of the terms and acronyms used when discussing health care plans.

Coinsurance

A percentage of the cost for services you must pay to a provider once the deductible is met.

Copayment or Copay

A fixed dollar amount you must pay to a provider at the time services are received.

Covered Health Services

Health services, supplies, or equipment provided for the purpose of preventing, diagnosing, or treating a sickness, injury, mental illness, substance abuse, or symptoms. Covered health services are supported by national medical standards of practice and are consistent with conclusions of prevailing medical research. Covered services under the University's health care plans are defined in the plan document.

Deductible

The amount of out-of-pocket expenses that you must pay for health services before the plan begins to pay benefits for many covered services.

Health Savings Account (HSA)

A health savings account (HSA) is a tax advantaged savings plan that individuals can use to cover current and future medical expenses. It allows you to set aside pretax money, invest the funds within a broad range of choices, and then withdraw the money tax free for qualified health care expenses. HSA funds roll over from year to year. Note: You must be enrolled in an HSA-eligible plan in order to contribute to an HSA.

HSA-Eligible Plan

For 2011, the federal government generally defines an HSA-eligible plan as those with an individual deductible of at least \$1,200, or family deductible of at least \$2,400. Other requirements must be met as well. Based on guidelines, the federal government will review these amounts each year and increase them, if appropriate.

Negotiated Costs

The amount the network provider has agreed with the third-party administrators

(TPAs) to accept as payment in full for covered services.

Network Provider

A provider who participates in the third-party administrator's network. A non-network provider does not participate in the network.

Out-of-Pocket Maximum

The maximum amount you could pay out of your own pocket for covered health care expenses in a calendar year for deductible and coinsurance. *Copays and the cost of prescription drugs are not included (with the exception of the PPO HSA-Eligible Plan).*

Preferred Provider Organization (PPO)

A preferred provider organization, or PPO, is a health care benefit plan that allows those covered to receive care by network and non-network providers. In many cases those covered will receive a higher level of benefits for using a network provider in addition to the lower fees charged by the provider. The network provider will automatically bill the plan, and patients are not billed for charges higher than the amount allowed by the TPA.

Reasonable Charges

(Also referred to as "Reasonable and Customary" or "Usual, Customary, and Reasonable")

For services provided by or on behalf of a network physician, the reasonable charge is an amount that does not exceed negotiated costs. For services provided by non-network providers, the maximum amount considered under your plan for payment is reasonable charges. The third-party administrator develops reasonable charges taking into account factors such as the complexity of the service, the range of services provided, and the prevailing charge level in the geographic area where the provider is located.

Third-Party Administrator (TPA)

A third-party administrator (TPA) processes health care claims and provides additional services for members. The University offers the choice of two TPAs to administer its health care plans: Aetna or Excellus BlueCross BlueShield.



Continued from page 1

Those who complete the confidential programs offered through Carewise Health, a health management program, may be eligible to receive up to \$300 per covered individual (or \$600 per family).

Employees also have an opportunity to receive discounts on prescription medications to treat related conditions. They can continue to receive free biometric screenings and participate in lifestyle management programs offered by the Healthy Living Center.

"We want employees to receive the incentives and support so they can take whatever steps they need to make changes, whether it's smoking cessation, nutrition, or weight management," Murphy says.

Dental care

Besides wellness incentives, employees will have the opportunity to choose from two modified dental plans (Traditional Dental Assistance Plan and the Medallion Dental Plan). Both plans will require employee contributions.

"Improving dental care is all part of maintaining good health and wellness," Murphy says.

Read more about the dental plan changes on page 2.

The plan that's right for you

Employees can choose from a menu of low-cost or higher-cost plans, based on their own needs and how they decide to structure their costs. "It's important to look carefully at your health care costs, including how much in the way of out-of-pocket expenses you have had over the last year or two as well as the needs of your dependents," Murphy says.

"If you're in a copay plan now—and your family has moderate to high health care and pharmacy expenses—you might have higher expenses than you would if you were in a deductible health care plan with the protection of an out-of-pocket maximum," he says.

As you plan, you should note additional changes in Flexible Spending and Health Savings Accounts, as well as changes in the pharmacy benefit program aimed at improving coverage.

"To help you plan, we also urge you to use the Health Care Plan Estimator Tool found on the benefits Web site (<https://yourhealth.rochester.edu>) or call ASK-URHR. We also urge you to attend one of the open enrollment meetings or call the benefits office to get more information. The more informed you are, the better decision you will make," Murphy says.

The next step

After reading about the changes in this special issue of *Currents* and reviewing the information sent to your home by the Benefits Office, you can make your health-care elections for 2011.

If you have questions about open enrollment or the University's health plan benefits, visit one of the upcoming information sessions listed on page 2, visit the Benefits Office Web site (www.rochester.edu/benefits), call ASK-URHR (275-8745), or send an e-mail to benefitoffice@hr.rochester.edu.

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