

2010

UNIVERSITY OF CALIFORNIA

## OPEN ENROLLMENT

OCTOBER 29–NOVEMBER 24

**OPEN ENROLLMENT is from 8:00 a.m. on Thursday, October 29, through 5:00 p.m. on Tuesday, November 24, 2009 (PT).**

If you make Open Enrollment changes, your new coverage will be effective January 1, 2010.

Open Enrollment is online. Go to [atyourservice.ucop.edu](http://atyourservice.ucop.edu)

### Open Enrollment Actions You Can Take

- Change to a different medical and/or dental plan
- Enroll eligible family members in your health plans
- Enroll or re-enroll in a Flexible Spending Account (FSA)—the Health FSA or Dependent Care FSA. Even if you are currently enrolled in these plans, you must re-enroll to participate in 2010, as these plans do not automatically roll over to the following year.
- Change participation in the Tax Savings on Insurance Premiums (TIP) program. Enrollment is automatic unless you opt out.

If you are satisfied with your current enrollments and have no plan changes to make, you do not need to do anything.

Dear UC Colleagues:-

You and your contributions make UC the world-class teaching, research and public service institution it is, which is why providing access to high quality health care for you and your families is one of our highest priorities. To that end, we invest heavily in our employee health and welfare programs. Here are just a few examples of our level of commitment:

- We spend roughly \$1.5 billion each year on health and welfare benefits.
- On average, we pay 88% of the costs associated with health care premiums, compared to an average employer subsidy of 80% in California and 76% for CalPERS.
- For our lowest-paid workers, UC covers roughly 96% of the premium costs. Although many of these entry-level positions are not eligible for health insurance at other employers, we feel coverage is important, regardless of level.
- For this year, we have kept employee health care costs as flat as possible in these difficult financial times—at an additional cost to the University of \$95 million.

You will be pleased to learn that there are no major changes in programs or coverage levels for any of our health plans for 2010. And where there are some changes, most will enhance employee coverage. For instance, copays for generic drugs will cost a bit less next year, and in some cases, mental health benefits have been expanded.

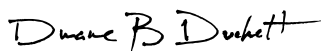
While the University continues to subsidize plans at the same levels as last year, premiums for most plans will increase due to spiraling health care costs—dollar amounts vary depending on the individual plan, your pay band, and whether you choose coverage for only yourself or your family members. Given the financial sacrifices many of our employees are already making, it was especially important that we do everything possible to mitigate rising health care costs and not simply pass on increases to employees. We are pleased that UC continues to offer one of the most generous benefits packages of any large California employer.

Looking ahead, we know health care costs are projected to increase in 2011 and well into the future. Health care costs have already risen more than 130% in the past 10 years. Given that certainty, our program design with its current trajectory and associated costs is unsustainable. We have to chart a new course, redesign programs and innovate with regard to health care now. Otherwise, we jeopardize our ability to provide quality health care to our employees. My staff, along with experts in the health care field—some of which are UC colleagues—will spend the next year focused on this enormous task. Many of you will be involved in giving us feedback about what you value and the health care choices you'd like to see in our plans.

Enclosed is your 2010 Open Enrollment information. This booklet will help you review your health and welfare benefits, and make the choices that are right for you and your family. I encourage you to use this time to thoroughly review all your benefits. The legal plan, for instance, is open this year. And signing up for a health flexible spending account can be a great way to use pre-tax dollars to pay for anticipated medical costs. You'll find full details of these and other options on the Open Enrollment website, available on At Your Service ([atyourservice.ucop.edu](http://atyourservice.ucop.edu)).

In closing, I want to thank you for your service to the University and to the people of California, and to assure you that we are continually looking for ways to ensure you have access to affordable, high-quality health care.

Sincerely,



Dwaine B. Duckett  
Vice President, Human Resources

# OPEN ENROLLMENT HIGHLIGHTS

For 2010, there are minimal changes to UC health and welfare plans. The behavioral health program will further expand this year, and copayments for generic prescription drugs will be lower. The expanded wellness program begun in 2008 will continue. Information on these and other programs is below and complete details are available on the Open Enrollment website.

## PLAN RATES ARE ONLINE

Medical plan monthly premiums are increasing by less than \$1 to more than \$200, depending on the plan, your salary band and whether you choose coverage for yourself only or you and your family members. UC continues to pay the greater portion of monthly medical premiums, and your premium is based on your full-time salary rate as of January 1, 2009. This pay-band structure allows UC to provide larger monthly employer contributions for those earning less. Visit the Open Enrollment website to see your rates.

## GENERIC DRUG COPAYS

The copayment for generic prescription drugs is decreasing by \$5 for most plans. For HMOs, the copay will be \$5 for a 30-day retail supply and \$10 for a 90-day mail-order supply. The copay for Anthem Blue Cross PLUS and Anthem Blue Cross PPO will be \$10 for a 30-day supply and \$20 for a 90-day mail order supply.

## BEHAVIORAL HEALTH PARITY

The Mental Health Parity Act, signed into law in 2008, requires employers to offer a level of mental health benefits at least equal to other medical benefits offered. As a result, UC is enhancing mental health benefits, including adding out-of-network benefits to the Anthem Blue Cross PLUS and CIGNA Choice Fund plans.

## LEGAL PLAN OPEN FOR ENROLLMENT

You can enroll in the ARAG Legal Plan this year. Rates and plan provisions remain the same. During the Open Enrollment period, all employees have free access to tools to help you create a living will and a healthcare power of attorney.

## STAYWELL HEALTH MANAGEMENT

UC's wellness initiative, UC Living Well, offers the StayWell program to employees and their spouse/domestic partner enrolled in UC-sponsored medical plans. It features an annual health assessment, online health resources, interactive tools, and wellness coaching. Again in 2010, StayWell will offer an incentive for completing an online or paper health assessment. Employees will receive a \$100 gift certificate and spouses/domestic partners a \$50 certificate if they complete the health assessment by April 15.

The StayWell program is available to those enrolled in UC medical plans except Kaiser, which provides similar wellness resources to its members via its HealthWorks program. Employees represented by some UC unions are not eligible for StayWell because participation has not been agreed to on behalf of their members during the collective bargaining process.

## CIGNA CHOICE FUND

Now in its third year, the CIGNA Choice Fund—which combines a Health Reimbursement Account (HRA) with a Preferred Provider Organization (PPO) plan—is designed to provide UC employees with a different approach to making and managing effective health care choices. The CIGNA Choice Fund offers a wide network of physicians and hospitals. All in-network preventive care is covered at 100 percent.

A key component of this plan is the HRA. Funded annually by UC, this account can be used to help meet your annual deductible amount for medical and prescription drug expenses. At the end of each year, any unused HRA amounts are rolled forward to the next year. The 2010 HRA amounts are: \$1,000 for employee only; \$1,500 for employee and adult or employee and children; and \$2,000 for family.

## FLEXIBLE SPENDING ACCOUNTS

Open Enrollment is the time to enroll or re-enroll in Dependent Care and/or Health Flexible Spending Accounts. Those who expect to have between \$180 and \$5,000 of out-of-pocket expenses in 2010 should consider enrolling. FSAs offer:

- **A planned approach to paying expenses—** You set aside money that you will have to pay anyway in a pre-tax account from which you can draw to pay eligible health and/or dependent care expenses.
- **Affordable pre-tax contributions—** You contribute an equal portion of the total annual amount of your account by pretax deductions each pay period.
- **Tax savings—** Because your deductions are taken before taxes, your tax liability is reduced.

The FSA section of the Open Enrollment website provides additional details and links to FSA calculators to help you estimate the amount you should contribute and your potential tax savings.

## WHAT'S ONLINE — ATYOURSERVICE.UCOP.EDU



Go online to the At Your Service website and select the Open Enrollment 2010 icon to read about Open Enrollment and plan details for 2010. On the website, you can link to the following important detailed information:

- Medical plan premiums for 2010.
- Eligibility—which family members are eligible for plan coverage.
- Summaries of UC health and welfare plan benefits/services and changes for 2010.
- Special tools to help you find health plans best suited to you and your family—*Plan Chooser* (compares medical and dental plans) and *Medical Plan Summaries*.
- *Find a Doctor*—Links to the medical plans' physician directories.
- Contact information and website links for all health and welfare plan carriers.
- Links to UC summary plan descriptions, carrier evidence of coverage booklets and other publications about the plans.
- Important Terms and Conditions governing your participation in UC-sponsored plans.
- Certificate of Creditable Coverage when leaving a UC plan.

# OVERVIEW OF PLAN CHANGES FOR 2010

The chart below gives a summary of the changes for 2010 to current benefits. Details of the plan changes are available on the Open Enrollment website. For complete information about the benefits for each plan, see the evidence of coverage booklet or summary plan description, available at the Open Enrollment website ([atyourservice.ucop.edu](http://atyourservice.ucop.edu)). You can request a copy by calling the plan carrier directly.

<b>ANTHEM BLUE CROSS PLUS*</b> <b>ANTHEM BLUE CROSS PPO*</b>	Copay for generic prescription drugs reduced from \$15 to \$10. Out-of-network behavioral health benefits added to Anthem Blue Cross PLUS. Lifetime maximum behavioral health benefits increase to \$5 million.
<b>CIGNA CHOICE FUND</b>	Online physician visits added, with members paying 20 percent of visit cost. Out-of-network behavioral health benefits added.
<b>CORE</b>	No plan changes.
<b>HEALTH NET</b>	Copay for generic prescription drugs reduced from \$10 to \$5.
<b>KAISER PERMANENTE—CALIFORNIA</b>	Copay for generic prescription drugs at Plan Pharmacy reduced from \$10 to \$5. The allowed supply for prescription drugs at a Plan Pharmacy is reduced to 30-day supply. The mail order prescription drug copay will change to \$10 for generic and \$40 for brand (100-day supply). Day limits for chemical dependency transitional recovery services are being removed. All mental health and chemical dependency services will accumulate toward plan out-of-pocket maximum.
<b>KAISER PERMANENTE MID-ATLANTIC</b>	Copay for individual outpatient mental health and substance abuse services reduced from \$20 to \$15.
<b>KAISER UMBRELLA</b>	Subject to regional mandates. Contact your plan for details.
<b>WESTERN HEALTH ADVANTAGE</b>	Copay for generic prescription drugs reduced from \$10 to \$5; \$15 Urgent Care copay for any network provider.
<b>UNITED BEHAVIORAL HEALTH</b>	Plan designs will meet requirements of Federal legislation on mental health parity.
<b>AD&amp;D</b>	No plan changes. The plan name has changed to CHARTIS AD&D.
<b>DELTA DENTAL PPO</b>	No plan changes.
<b>DELTACARE® USA (DENTAL HMO; CA RESIDENTS ONLY)</b>	Tobacco counseling for control and prevention of oral disease at no cost; coverage for additional fixed prosthodontics (bridge-related) procedures that were not previously covered.
<b>LEGAL PLAN</b>	No plan changes; the plan is open for enrollment.
<b>VISION PLAN</b>	30% discount on additional glasses purchased from the VSP doctor at the time of eye exam; new Diabetic EyeCare Program.

\*Anthem Blue Cross is the trade name of Blue Cross of California. Anthem Blue Cross and Anthem Blue Cross Life and Health Insurance Company are independent licenses of the Blue Cross Association.

## ENROLLING, MAKING YOUR CHANGES ONLINE — [ATYOURSERVICE.UCOP.EDU](http://ATYOURSERVICE.UCOP.EDU)

When you are ready to do so, go to “Make Changes Now” and select the “Sign in” button, located at the top of any page of the Open Enrollment website. After signing in, you may view your personalized benefits summary, which shows current health and welfare plan enrollments for yourself and your family. You will make and confirm your enrollment changes on this site.

If you do not have Internet access, contact your local Benefits Office.

**If you are satisfied with your current coverage and do not need to make any changes for 2010, you do not need to take any action during Open Enrollment, except if you wish to enroll or re-enroll in a Flexible Spending Account.**

# THINGS TO CONSIDER

The Open Enrollment period is a good time to review all of your insurance plans and to consider other benefits issues.

## **SUPPLEMENTAL DISABILITY**

The supplemental disability plan is not open for enrollment, and there are no benefit changes. In 2010, however, there will be rate increases, so UC employees may want to look at their current UC supplemental disability waiting period and current sick leave balance. You can always switch to a longer waiting period at any time, which will lower your monthly premium. A change to a shorter waiting period requires a statement of health and approval of the insurance company. More information, including a Disability Premium Calculator, is available on the Open Enrollment website.

## **IF YOU PLAN TO RETIRE IN 2010**

Premiums for retiree medical insurance are different from employee contributions, and your monthly premiums may change. The UC contribution to your medical premium is based on when your retirement plan membership began, your years of service credit and other factors. As a result, if you are eligible for retiree medical, UC may pay from 50 to 100 percent of the monthly employer contribution.

## **IF YOU OR A FAMILY MEMBER BECOME ELIGIBLE FOR MEDICARE IN 2010**

If you continue working at UC past age 65, you are not required to sign up for Medicare Part. When you retire or should you lose your employer medical coverage, you must immediately enroll in Medicare Part B. If you do not enroll immediately, Medicare may charge a permanent 10% penalty for each full year you could have had Part B and didn't. For more information, see the Medicare Factsheet [PDF] and/or contact Social Security at 800-772-1213.

## **SELECTING A CONTRACTING PHYSICIAN GROUP WITHIN A SERVICE AREA**

If you reside outside an HMO or POS service area, you may also enroll based on a work address that is within the HMO/POS service area. If you choose a physician group based on its proximity to your work address, you

will need to travel to that physician group for any non-emergency or non-urgent care that you receive. Some physician groups may decline to accept assignment of a member whose home or work address is not close enough to the physician group to allow reasonable care. Please contact the HMO or POS plans' member services if you have questions or need assistance with selecting a physician group.

## **CONFIRMING YOUR CHANGES**

If you make plan changes during Open Enrollment, be sure you complete the transactions and receive a confirmation statement.

Also, be sure to review your January pay statement to ensure your changes were recorded accurately. It is your responsibility to report any mistakes in a timely manner.

## **LOCAL ASSISTANCE AND OPEN ENROLLMENT EVENTS**

Contact the person in your department who handles benefits matters or your local Benefits Office if you need personal assistance.

Your location may be conducting Open Enrollment meetings or informational programs. Watch for announcements at your location.

## **FAMILY MEMBER VERIFICATION**

To help ensure that UC does not incur unnecessary premium and claim costs for ineligible family members, UC Human Resources conducts an annual audit of family members enrolled in UC-sponsored health and welfare plans. In addition, any employee with family member(s) enrolled in our group insurance plans must provide, upon request, documentation verifying the relationship between the employee and the family member(s). If you are audited and found to be covering ineligible family members, you will lose your insurance coverage for 12 months and the ineligible family members will be permanently de-enrolled. We strongly encourage you to use the Open Enrollment period to make sure that any family members you are covering are fully eligible. For information on eligibility, refer to the Group Insurance Eligibility Factsheet, available on At Your Service.

## **BUSINESS TRAVEL ACCIDENT INSURANCE**

If you travel on official University business you are covered at no cost to you. The plan includes coverage for: out-of-country medical; lost luggage, personal property and trip cancellation or interruption; emergency medical evacuation and repatriation; security extraction; accidental death and dismemberment.

If you are traveling on UC business, you must register for all out-of-state and foreign country travel. For more information about business travel insurance and online registration visit the Business Travel website at [www.uctrips-insurance.org](http://www.uctrips-insurance.org).

## **DO YOU LIVE OUTSIDE CALIFORNIA?**

You'll find a special section online that gives your medical plan choices for 2010 if you live in:

- Washington DC, Maryland, Virginia  
Anthem Blue Cross PPO, CIGNA Choice Fund, Core, Kaiser Mid-Atlantic
- Other states and outside U.S. Anthem Blue Cross PPO, CIGNA Choice Fund (U.S. residents only, except Hawaii), Core

## REMINDERS

- You will receive plan I.D. cards, if applicable, by January.
- If you plan to add new family members to your medical plan, check whether the doctor they want is accepting new patients.
- If you are staying in your current plan and want to change only your primary care physician, phone your plan's member services department.
- At any time of the year, you may de-enroll a family member from health and welfare plans when he or she becomes ineligible.
- Employees who have been notified that they have been de-enrolled from their health plans as a result of the 2008 eligibility random audit **will not** be able to re-enroll during Open Enrollment.
- Under IRS rules, your taxable income may be affected if you have health plan coverage for any person who is not declared as your federal tax dependent. Details about imputed income are online.
- Under *HIPAA (Health Insurance Portability and Accountability Act of 1996)*, you may have additional opportunities outside of Open Enrollment to enroll in a UC-sponsored medical plan—for instance, if you have lost eligibility for coverage in another plan. However, certain conditions apply. See the full *HIPAA* notice on the Open Enrollment website ([atyourservice.ucop.edu](http://atyourservice.ucop.edu)).
- The Creditable Coverage notice pertaining to Medicare Part D prescription drug coverage is available online.

## NOTICE TO EMPLOYEES IN BARGAINING UNITS

Medical plan contributions for represented employees are subject to collective bargaining negotiations.

Changes in employee contributions for 2010 will not become effective for employees in bargaining units with expired collective bargaining agreements until the University and their unions' representatives reach agreement or until the rates are in effect, in accordance with the requirements of HEERA.

Information about the medical plan options on the Open Enrollment website and in written communication to all employees during Open Enrollment reflect the new employee contribution rate for all participants.

However, employees in bargaining units with expired collective bargaining agreements can make enrollment changes during Open Enrollment, and they will be charged the applicable employee contribution rate until the University and their unions' representatives reach agreement or until the rates are in effect in accordance with the requirements of HEERA.

## THE WOMEN'S HEALTH AND CANCER RIGHTS ACT ANNUAL NOTIFICATION OF RIGHTS

The Women's Health and Cancer Rights Act of 1998 (Women's Health Act) requires group medical plans such as those offered by UC that provide coverage for mastectomies to also provide certain related benefits or services.

Under a UC-sponsored medical plan, a plan member (employee, retiree, or eligible family member) who receives a mastectomy and elects breast reconstruction in connection with the mastectomy must receive coverage for the following: reconstruction of the breast on which the mastectomy was performed; surgery and reconstruction of the other breast to produce a symmetrical appearance; and prostheses and treatment of physical complications of the mastectomy, including lymphedema.

Coverage will be provided in a manner determined in consultation with the patient's physician and is subject to the same deductibles, coinsurance, and copayments that apply to other medical or surgical benefits covered under the plan.

If you have questions, please contact your medical plan carrier or refer to your carriers plan booklet for specific coverage.



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FORWARDING SERVICE REQUESTED

# 2010 OPEN ENROLLMENT

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By authority of the Regents, University of California Human Resources, located in Oakland, administers all benefit plans in accordance with applicable plan documents and regulations, custodial agreements, University of California Group Insurance Regulations, group insurance contracts, and state and federal laws. No person is authorized to provide benefits information not contained in these source documents, and information not contained in these source documents cannot be relied upon as having been authorized by the Regents. Source documents are available for inspection upon request (1-800-888-8267). What is written here does not constitute a guarantee of plan coverage or benefits—particular rules and eligibility requirements must be met before benefits can be received. The University of California intends to continue the benefits described here indefinitely; however, the benefits of all employees, retirees, and plan beneficiaries are subject to change or termination at the time of contract renewal or at any other time by the University or other governing authorities. The University also reserves the right to determine new premiums, employer contributions and monthly costs at any time. Health and welfare benefits are not accrued or vested benefit entitlements. UC's contribution toward the monthly cost of the coverage is determined by UC and may change or stop altogether, and may be affected by the state of California's annual budget appropriation. If you belong to an exclusively represented bargaining unit, some of your benefits may differ from the ones described here. Contact your Human Resources Office for more information.

The Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA) provides for continued coverage for a certain period of time at applicable monthly COBRA rates if you, your spouse/domestic partner, or your dependents lose group medical, dental, or vision coverage because you terminate employment (for reasons other than gross misconduct); your work hours are reduced below the eligible status for these benefits; you die, divorce, or are legally separated; or a child ceases to be an eligible dependent. Note: The continuation period is calculated from the earliest of these qualifying events and runs concurrently with any other UC options for continued coverage. See your Benefits Representative for more information.

In conformance with applicable law and University policy, the University is an affirmative action/equal opportunity employer. Please send inquiries regarding the University's affirmative action and equal opportunity policies for staff to Director of Diversity and Employee Programs, University of California Office of the President, 300 Lakeside Drive, Oakland, CA 94612 and for faculty to Director of Academic Affirmative Action, University of California Office of the President, 1111 Franklin Street, Oakland, CA 94607.

Website address: [atyourservice.ucop.edu](http://atyourservice.ucop.edu)

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