HIGHLIGHTS

November 1 – 27, 2007
For Eligible Faculty and Staff

UCSF HR/Benefits
Open Enrollment Actions

- Inform yourself
- Review costs
- Go online and make your selection(s)
- Be proactive if you have transition of care issues
Employee Communications

• Mailing October 17
• Sixteen page mailer to active employees
  – Highlights and rates
  – Spreadsheet
Strategic Approach

• Medical costs continue to rise but at a slower pace than previous years
  – Per a recent report by PricewaterhouseCoopers LLP, the rate of increase is running nearly parallel to the overall rate of inflation
  – On average employers expect a 9.9% increase in gross premium costs for HMO and PPO plans

• UC has created a long term strategic plan to ensure benefit costs are managed in ways that maintain the competitiveness of UC’s total compensation package
Strategic Approach

Portfolio Management
Consider changes in the dynamic with vendors to improve partnership, quality and cost.

Member Engagement
Engage members in improving personal health practices through education, tools and incentives.

Total Compensation
Manage medical benefit costs in ways that maintain competitiveness in total compensation.

Specialty Options
Explore adoption of industry options/best practices delivered outside of health plans, enhance visibility and accessibility of member engagement opportunities.

UC Medical Center Linkage
Reinforce value of UC Medical Centers as key provider to our population.

UC’s strategy for health benefits addresses four key areas of opportunity that link together to support the Regents’ objectives for a Total Compensation package that is supportive of the University’s mission of education, research, and public service.
Strategic Approach

- Overall increase of 8.4% of the gross cost of UC premiums
- UC continues to contribute the majority of the premium costs
  - On average 87.4%
  - This is 9% higher than the national employer average
- Cost decreases for some employees
- Salary Bands adjusted upwards
2008 Medical Pay Band Definitions and Adjustments

2008 Pay Band Adjustments

- Medical Contribution Base
  - the pay bands for 2008 are defined as follows:

<table>
<thead>
<tr>
<th>2008 Pay Band</th>
<th>Definition of Range for Medical Contribution Base Using Full-Time Salary As of Jan. 2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>$45,000 &amp; Under</td>
</tr>
<tr>
<td>2</td>
<td>$45,001 to $89,000</td>
</tr>
<tr>
<td>3</td>
<td>$89,001 to $133,000</td>
</tr>
<tr>
<td>4</td>
<td>$133,001 &amp; Over</td>
</tr>
</tbody>
</table>
Medical Plan Changes

• Highlights:
  – PacifiCare discontinued 12/31/2007
  – Definity Plan discontinued 12/31/2007
  – CIGNA Choice Fund introduced 01/01/2008
  – Behavioral healthcare component provided by UBH for all plans except CORE
  – Behavioral healthcare added to the CORE plan as of 01/01/2008 and provided directly by the plan
  – Out-of-Network behavioral health benefits available to Blue Cross PPO members ONLY
Current Model

- Group HMO (Kaiser)
- Network HMO (Health Net)
- Network HMO (PacifiCare)
- Network HMO (WHA - Regional)
- POS (Blue Cross)
- PPO (Blue Cross)
- HRA-PPO (Definity – Regional)
- Core Indemnity (Blue Cross)

2008 Model

- Group HMO (Kaiser)
- Network HMO (Health Net)
- Network HMO (WHA - Regional)
- POS (Blue Cross)
- PPO (Blue Cross)
- HRA-PPO (CIGNA – Systemwide)
- Core Indemnity (Blue Cross)
- Overlay Behavioral Health (UBH)
- Carve-out Behavioral Health (UBH)
- Carve-out Wellness (StayWell)

Special supplemental communications are targeted to those whose plan is changing.
CIGNA Choice Fund

- Innovative medical plan provides more awareness and control over health care decisions
- Similar to traditional PPO plan, but with some key differences

**Differences:**
- **Upfront benefit dollars in HRA funded by UC to help meet the annual deductible**
  - HRA automatically pays first
  - Covers eligible medical and pharmacy expenses
  - HRA + member responsibility satisfies deductible
- **Discounted rates when using in-network providers**
- **Rollover unused HRA dollars to next benefit year—decreases potential out-of-pocket expenses in subsequent years**

- After deductible satisfied, PPO Health coverage takes effect
- Once you reach OOP maximum (does not include deductible) eligible expenses covered at 100%
- Preventive care covered at 100% (in-network)
Coverage Based On Family Status

**Out-of-Pocket Max**
- **EMPLOYEE**
  - In-network: $1,500
  - Out-of-network: $8,500
- **EMPLOYEE + ADULT**
  - In-network: $2,250
  - Out-of-network: $12,750
- **EMPLOYEE + CHILD(REN)**
  - In-network: $2,250
  - Out-of-network: $12,750
- **EMPLOYEE & FAMILY**
  - In-network: $3,000
  - Out-of-network: $17,000

*Deductible*
- Member Responsibility:
  - EMPLOYEE: $500
  - EMPLOYEE + ADULT: $750
  - EMPLOYEE + CHILD(REN): $750
  - EMPLOYEE & FAMILY: $1,000

*PPO Health Coverage 80%/60%*

100% Preventive Care

*In-Network Coverage Level/Out-of-Network Coverage Level*

**Deductible does not apply towards the Out-of-Pocket Maximum**
Transition of Care

- Special transition of care benefits if your plan is being discontinued and/or you select a new medical plan.

- Decisions on qualification are reviewed by medical plan clinical staff, based on medical necessity, and require acceptance of contractual and payment terms by non-contracted provider.

- If you have questions about transition of care for you or a family member, call your new plan after 11/1/07 to request a Transition of Care Request Form and request additional information.

- Specific information, including phone numbers, is in your Open Enrollment mailer on page 7.

- **CORRECTION** – CIGNA TOC number is 1-800-244-6224.
Non-Medical Plan Changes

• Legal Plan available
• Dental
  – Delta Dental PPO
  – DeltaCare USA® (formerly PMI)
  – UC contribution continues to cover full premium cost for you and your eligible family members
• Vision Service Plan
  – UC contribution continues to cover full premium cost for you and your eligible family members
  – 20% discount now includes non-prescription glasses/sunglasses
• UC Living Well Program Launched
  – Administered by StayWell Health Management
  – Automatic enrollment for all medical plan Members
    • Except Kaiser
Flexible Spending Accounts

• Healthcare Reimbursement Account
  – Consider this plan if your anticipated out-of-pocket healthcare expenses will be $180+

• Dependent Care Reimbursement Account

• IRS-imposed “Use it or lose it rule”
  – Budget carefully

• Refer to Summary Plan Descriptions

Requires positive re-enrollment in order to continue participation each plan year!
Other Health & Welfare Benefit Programs

- Supplemental Life – Employee and Dependent (Prudential)
  - No rate changes
  - Accelerated Benefit Option added to Dependent Life
    - Spouse/Domestic Partner
    - 50% to $50K

- Disability (Liberty Mutual)
  - Supplemental rates will increase 15%

- AD&D (AIG)
  - No changes; plan is open year-round
Employee Resources

- UCSF HR/Benefits OE Information
- Atyourservice.ucop.edu
  - Open Enrollment link
- Web tools
  - Medical Plan Chooser
  - Medical Plan Summaries
  - SHPS Calculator
  - Find a Doctor
Questions