

## MEMORANDUM

**TO:** All Eligible, 0.5 (or greater) FTE Employees

**FROM:** Bill Gearhart, Senior Vice President for Finance and Administration and Treasurer

**DATE:** May 2008

**SUBJECT:** “Active” Open Enrollment for Health Plans & Hyatt Legal for Plan Year 2008-2009

Hood College will be conducting its annual Open Enrollment from May 7– May 21 for the plan year July 1, 2008 through June 30, 2009. **Once again, this will be an “active” open enrollment. Active enrollment means all employees must complete a new enrollment form by May 21st for health/prescription, dental, vision, Flexible Spending Account plans and/or Hyatt Legal in order to be covered as of July 1, 2008! CareFirst will require a separate enrollment form in addition to the Hood College one.**

Hood College went into the July 1, 2008 renewal process anticipating significant cost increases. We continually explore alternatives to mitigate these increases. This year we are increasing office visit copays on all plans and prescription drug copays on selected plans in order to bring the overall premium increases down. Also, we are introducing a new plan, an HMO Health Savings Account, as an alternative lower premium cost plan for health and prescription drug coverage. Many factors, outside of our control, continue to contribute to rising healthcare costs. However, our Hood group experience last year is also a large contributor to the increases this year.

Employees will have a choice between four different medical/rx plan designs from CareFirst. A brief summary of each plan is below.

CareFirst will continue to include a basic vision benefit through the Davis Vision network of providers; however, there is no vision benefit within the Blue Choice HSA. This vision benefit is not to be confused with our separate Vision Benefits of America (VBA) offering, which has both in- and out-of-network coverage for exams as well as materials (lenses, frames, and contact lenses). You can choose to be covered under both CareFirst and VBA.

Please note, the College will maintain the existing employer percentage of premium contribution. Be sure to review the employee costs for coverage under each plan on the Hood College enrollment form.

- **BlueChoice HMO.** This plan utilizes the BlueChoice network of providers found on [www.carefirst.com](http://www.carefirst.com). This coverage is an HMO plan with the only out-of-network coverage being for true emergencies. Most other coverage requires a referral from a PCP (Primary Care Physician) in order to be covered. Like the current HMO plan, there will continue to be no upfront deductible and in-network coverage for most procedures is covered at 100%. Office visit copays will increase to \$20 for PCP office visit copays and \$30 for Specialty office visit copays. The BlueChoice plan includes a basic vision benefit utilizing the Davis Vision network of providers. In-network, the plan will cover a routine eye exam for a \$10 copay; materials (lenses, frames, and contacts) are available at discounted rates by utilizing Davis Vision providers. Be sure to show your CareFirst ID card to receive the discounts. There is no out-of-network vision coverage under this plan. The BlueChoice prescription drug plan coverage will be as follows: (Up to a 34-day supply for: \$15 generic copay, \$35 preferred brand copay, \$60 non-preferred brand copay, 50% coinsurance up to \$100 for self-administered injectables, excluding insulin). Maintenance medications will continue to be available for two copays for up to a 90-day supply both through retail pharmacies and via mail order.

- **BlueChoice Opt Out Plus Open Access.** This plan also utilizes the BlueChoice network of providers found on [www.carefirst.com](http://www.carefirst.com). This coverage is based on the HMO-platform, but it has out-of-network benefits and does not require referrals. A PCP must be selected for this coverage, however. Effective July 1, 2008, this plan will have \$30 PCP office visit copays, \$40 Specialist copays, and still cover many other in-network procedures at 100%.

The BlueChoice Opt Out Plus Open Access plan includes a basic vision benefit utilizing the Davis Vision network of providers. In-network, the plan will cover a routine eye exam for a \$10 copay; materials (lenses, frames, and contacts) are available at discounted rates by utilizing Davis Vision providers. Be sure to show your CareFirst ID card to receive the discounts. There is no out-of-network vision coverage under this plan.

The BlueChoice Opt Out Plus Open Access plan will have the same prescription drug coverage as is in effect today (Up to a 34-day supply for: \$15 generic copay, \$35 preferred brand copay, \$60 non-preferred brand copay, 50% coinsurance up to \$100 for self-administered injectables, excluding insulin).

Maintenance medications will continue to be available for two copays for up to a 90-day supply both through retail pharmacies and via mail order.

- **BluePreferred PPO.** This coverage is a PPO (Preferred Provider Organization) plan. The network of providers is the BluePreferred network at [www.carefirst.com](http://www.carefirst.com). Office visit copays are \$15, there are no in-network deductibles, and most other procedures are covered at 90% in-network.

The BluePreferred plan includes a basic vision benefit utilizing the Davis Vision network of providers. In-network, the plan will cover a routine eye exam for a \$10 copay. Out-of-network, the plan will reimburse up to \$33 for an annual routine eye exam. Materials (lenses, frames, contacts) are available at discounted rates in-network only. Be sure to present your CareFirst ID card to receive the discounts.

The BluePreferred prescription drug plan coverage will be as follows: (Up to a 34-day supply for: \$15 generic copay, \$35 preferred brand copay, \$60 non-preferred brand copay, 50% coinsurance up to \$100 for self-administered injectables, excluding insulin). Maintenance medications will continue to be available for two copays for up to a 90-day supply both through retail pharmacies and via mail order.

- **BlueChoice HSA.** This coverage is a HSA (Health Savings Account) plan. The network of providers is the BlueChoice network at [www.carefirst.com](http://www.carefirst.com). This plan has a \$1,200 individual deductible/\$2,400 family deductible for most medical and prescription coverage per calendar year. **If you elect the BlueChoice HSA as of 7/1/08, you will be starting fresh for your deductible. There is no deductible carryover to the HSA from either the BlueChoice Opt Out Open Access or the BluePreferred PPO plan.** If more than one person is covered under the HSA, the family deductible must be met before the benefits of the plan kick-in. An exception to the deductible requirement is preventive care, which is covered at 100% (in network) without a copay. After the \$1,200 individual/\$2,400 family deductible is satisfied, the following prescription copays will apply to the BlueChoice HSA plan: \$0 generic copay, \$25 preferred brand copay, \$45 non-preferred brand copay, 50% coinsurance up to \$75 for self-administered injectables, excluding insulin for up to a 34-day supply. Maintenance medications will continue to be available for two copays for up to a 90-day supply both through retail pharmacies and via mail order.

To enroll in the HSA, you may not be covered by any other medical/prescription plan (including Medicare).

When enrolling in the BlueChoice HSA, you will be able to establish a bank account with Mellon Bank through FlexAmerica (a PayFlex Company) with no charge. This bank account may be funded on a pre-tax basis. Also withdrawals from the account for eligible expenses may be taken out pre-tax. It is highly suggested that you fund this account through payroll deductions. Any money left in the HSA funded

bank account at the end of the year is **yours to keep and can rollover from year to year**. Additional details about the BlueChoice HSA are enclosed.

If you enroll in the HSA plan, you are not eligible to enroll in the regular FSA plan. However, you may enroll in Hood's new **Limited FSA plan**. This plan will be administered by FlexAmerica (a PayFlex Company). Eligible expenses would be dental and vision in nature only.

Additional details about all four CareFirst plan options are available on this web page at [http://www.hood.edu/adminservices/open\\_enrollment.cfm?pid=open\\_enrollment\\_Information.html](http://www.hood.edu/adminservices/open_enrollment.cfm?pid=open_enrollment_Information.html). A comparison of the medical/prescription plans is also available there along with a comparison of CareFirst's Davis Vision (Blue Vision) and VBA's Vision products.

New this year, those enrolled in any of Hood College's medical plans are eligible to take advantage of the services of **Health Advocate** without charge. Hood College will be covering the entire cost of this benefit to those enrolled in our medical/prescription drug plans as well as their family members. Health Advocate is a program designed to give you expert help and support with your healthcare needs, whether that be with finding a physician, locating a top medical institution, dealing with claims or bill payment arrangements, etc. Additional details about Health Advocate are available on the website listed above.

- **Dental coverage will remain with MetLife.** There is an 8% rate increase to premiums for both the low and high option dental plans. (During the marketing of our dental coverage, we found the networks and plan design of other viable carriers differed greatly from our current plan). New for July 1, 2008, both dental plans will include coverage for Implants and Brush Biopsies (oral cancer screening).
- **Vision coverage will remain with Vision Benefits of America (VBA)** with no change in premium or plan design. Remember, this plan requires a 2-year commitment. If you are currently covered under VBA, you should elect to stay covered for another year. If you fail to fulfill your 2-year commitment, you will be 'locked out' of participation in the VBA plan for the next two years. If this is your first time enrolling with VBA, you will be required to re-enroll again next year or else you will be 'locked out' of participating in VBA for the following two years. Remember, **VBA covers an eye exam and lenses every 12 months;** frames will be covered every 24 months. Additional information about this plan is also enclosed. It is important to note that in-network vision coverage requires that VBA be contacted prior to the visit for a benefit form. There is no exception to the benefit form requirement for in-network benefits. If a benefit form is not obtained, coverage will be out-of-network. A listing of in-network providers can be found at [www.visionbenefits.com](http://www.visionbenefits.com).
- **FlexAmerica (a PayFlex Company) will be the new FSA administrator offering a weekly reimbursement schedule and the convenience of a debit card.** Any expenses incurred during the current plan year (7/1/07-6/30/08) must be received by Ceridian for reimbursement prior to 6/30/08. FlexAmerica will pick up plan administration as of 7/1/08 so reimbursement claims submitted after 7/1/08, for expenses incurred in the 7/1/07 – 6/30/08 plan year, and any expenses incurred during the grace period for that plan year of 7/1/08 – 9/15/08, must be filed with FlexAmerica. Be sure to file your claims in a timely manner in order to avoid a loss of benefits. Once again there will be a 2 ½ month grace period that will allow claims to be incurred 7/1/08-9/15/09 for the upcoming plan year. Additional information is available on the website.
- **Hyatt Legal will continue as a legal plan option for employees.**
- **Supplemental Life for employees and dependents will continue to be offered by MetLife.** Additional information is available on the website.
- **Domestic Partners** (same sex) will continue to be eligible for medical/prescription, vision, dental, supplemental life, and Hyatt Legal coverage. A separate election form is included in the open enrollment package. Please note that the IRS recognizes domestic partners differently than married couples. Refer to

the enclosed Domestic Partner Affidavit for more information. **Please consult your tax advisor for details on your personal situation.**

- Hood College will once again continue to fund the majority of costs for healthcare benefits on behalf of our employees.

Although the benefits that follow are not affected by this “open enrollment” period, we do want to remind employees of Hood College’s generous benefits package:

- Hood College will continue to pay the entire premium for Basic Life Insurance and Accidental Death & Dismemberment for eligible employees.
- Hood College will continue to pay the entire premium for long-term disability coverage for eligible employees.
- Hood College will continue to offer a generous vacation and holiday schedule.
- Hood College will continue contributing the same percentage to the TIAA-CREF pension benefit.
- Hood College will continue to offer MetLife long-term care coverage at group rates for employees.
- Hood College will continue to offer MetLife Auto and Homeowners coverage at group rates for employees.
- Hood College will continue to offer Seniors Choice medical, prescription and vision coverage for current employees, who are over age 65 and retire from Hood College. Although Hood will not be contributing toward the cost of this coverage, we are pleased to continue to offer this plan for retirees which has discounted rates for our employees. Retirees and/or spouses must be enrolled in Medicare Parts A and B and retired from Hood College at age 62 or older to be eligible for this coverage.

Also included, in the open enrollment information on the website, are the following:

- Hood College’s privacy notice is being provided as required by the Health Insurance Portability and Accountability Act (HIPAA).
- A Notice of Required Coverage following Mastectomies is being provided as required under the Women’s Health & Cancer Rights Act.
- An updated Notice of Creditable Coverage under Medicare D is being provided.

Again, Hood College is pleased that we are able to offer the above benefits to our employees for the 7/1/08-6/30/09 plan year.

**Important Reminder – This will be an “active” open enrollment. You must complete a new Hood College Health Benefits enrollment form, CareFirst enrollment form, and/or a new Hyatt Legal enrollment form to remain covered for benefits after 6/30/08!**

**If you do not return your enrollment form(s) to Human Resources by 5 p.m. on Wednesday, 5/21/08, you will not be covered effective 7/1/08!**

*May 7 through May 21, 2008 is our annual open enrollment period; you may add, change or delete coverage at this time without questions. If you miss the May 21, 2008 deadline, you will not be able to enroll for benefits until next year’s open enrollment, except for a qualified life event change as defined by IRS regulations (and included in the enclosed life event change information).*

Please be assured that Hood College continues to work on options to secure the lowest rates and best plans for our employees. However, a significant portion of our healthcare premiums is directly impacted by our employees’ and their dependents’ health which directly impacts plan utilization. We encourage employees to take an active role in developing and maintaining their physical and mental wellbeing and that of their families. This will have a positive impact on the employee’s quality of life and help to ensure the financial viability of our health insurance plans.