



Post-65 Health Care Plans

ANNUAL ENROLLMENT

Plan Year:

January 1, 2011–

December 31, 2011

Office of Human Resources
Benefits Department
200 South Craig Street
Pittsburgh, PA 15260

412-624-8160
www.hr.pitt.edu

Eligibility

Official Retiree Status

University of Pittsburgh faculty and staff are officially granted retiree status if they fulfill the eligibility criteria:

- » Recognized Pitt start date prior to July 1, 2004: must be age 62 years or older on last day of work.
- » Recognized Pitt start date on or after July 1, 2004: must be a minimum of age 62 years on last day of work with age plus service (associated with recognized Pitt start date) equal to 85 or greater.
- » For retirements prior to July 1, 2004, participation in retiree benefit plans is contingent upon the retiree and spouse/domestic partner's having been enrolled in coverage as an active employee at the time of retirement.
- » An eligible spouse/partner is the individual designated as such on University records at the time of retirement.

Enrollment Options

Please note that if you did not elect medical coverage upon retirement under the program in effect prior to July 1, 2004, you are not eligible to enroll in medical coverage as a retiree. Retirements on or after July 1, 2004, involve election of Defined Dollar Benefit (DDB) credits according to the retiree medical program in effect on and after July 1, 2004. Participants remain eligible to continue DDB credits or enroll in coverage.

As announced in 2005, post-65 dental and/or vision coverage does not require prior participation regardless of the election at the time of retirement. As a result, you may elect to participate in post-65 dental and/or vision at open enrollment, even if you did not carry the coverage when you retired from the University.

Transitional Period Status

The funding and cost sharing for retiree medical coverage changed effective July 1, 2004. As a result of the change, a two-year transition period was established. Effective July 1, 2004–June 30, 2006, faculty and staff on the payroll in June 2004 and born on or before December 31, 1946, were given the option to voluntarily resign from the University and obtain retiree medical coverage under the provisions of the retiree program in effect prior to July 1, 2004.

Post-65 retiree plans are available to a former employee and his or her eligible spouse/partner if, during the transition period, the employee took advantage of the one-time option to voluntarily resign from the University and obtain retiree medical coverage under the provisions of the retiree program in effect prior to July 1, 2004.

The one-time option extended to benefit-eligible employees who had not reached age 62 years and would not achieve official retiree status.

Post-65 Benefit Coverage 2011 Calendar Year

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Available Materials

- » Summary grids and service area maps supplied by the medical insurance carriers
- » Applications supplied by the medical insurance carriers
- » United Concordia Access dental summary grid
- » Davis Vision summary grid
- » Enrollment form administered by the Benefits Service Center
- » Direct deposit form
- » Automatic Premium Payment Authorization (APPA) form

Overview

Introductory Explanation for Plan Year 2011

The program offerings in Calendar Year 2011 remain the same as in Calendar Year 2010 along with the introduction of lower premium cost options for the preferred provider organization (PPO) plans. The University of Pittsburgh sponsors five plans in the category of Medicare Advantage Programs and two plans in the category of Medicare Supplement.

In other words, the plan you are in today and plans currently available to you today will continue in the new plan year. As reported by the media both nationally and locally, the federal funding of the Medicare Advantage Programs has not materially increased for Calendar Year 2011. This includes UPMC for Life HMO and PPO as well as Highmark's Freedom Blue PPO.

The federal government provides a specific level of funding to an insurance carrier for each member enrolled in a Medicare Advantage program. The amount of funding provided is less than the full premium cost. As a result, the University makes up the shortfall to fund the full premium cost. For Calendar Year 2011, the nominal increase in funding by the federal government did not match the increased premium cost. Therefore, the difference must be met by an employer, such as the University, who sponsors plans, or a participant who is responsible for the full premium cost.

As a consequence of the level of federal funding for Calendar Year 2011, the premiums for the HMO and PPO plans have increased significantly. Most retirees will continue health care coverage without encountering any premium cost. The University will absorb the increase in premiums for retirees with a relatively nominal offset passed on to participants in the form of increased co-payments. However, there may be an impact on the premium cost for surviving spouses who are responsible for full cost of coverage.

As we move into the new Calendar Year 2011, the University is pleased to report the following results of negotiating and advocating for the retirees of the University of Pittsburgh:

- » In summary, the total premium costs for some medical plans have increased while the cost for others have actually decreased.
- » University costs have increased.
- » Nevertheless, there will be no increased premium costs to the retiree. Most will not have any responsibility for a monthly cost.
- » Dental plan premium rates will decrease slightly.
- » Vision plan premium rates remain the same.

As we move through Calendar Year 2011, the University will continue to follow the health care insurance debate in Congress and will continue to assess any impact the outcomes will have on the University-Sponsored plans.

Overview (continued)

Summary of Changes

Plan Designs

For the medical plans, the University has not initiated any plan design changes. Co-payments for primary care physician (PCP) visits and specialist visits remain the same.

For the prescription drug components, there is an increase to some of the prescription drug co-payments. The details appear in the Prescription Drug Plan Designs Calendar Year 2010 Compared to Calendar Year 2011. See Exhibit, Page 10.

Defined Dollar Benefit (DDB) Credit Amount

To align credits with the Medicare renewals that occur each January 1, an adjustment has been made to increase the credits to \$324 effective with the beginning of the new Calendar Year 2011. Going forward, the credits will be revalued each January to align with any movement in the National Medical Consumer Price Index up to the maximum of five percent.

Medicare and Social Security

Regardless of the University-Sponsored medical plan you elect, you are required to be enrolled in Medicare and you are responsible for the Medicare Part B premium, taken as a deduction from your monthly Social Security check.

Adjustments are made annually by Medicare. For your reference, below is summary information. The official source is information provided by Medicare and Social Security. Information is also available to you by visiting official Web sites.

www.medicare.gov

OR

www.ssa.gov

Medicare Part A and Part B

Each of the University-Sponsored medical insurance plans coordinates coverage with Medicare Part A and Medicare Part B. Prescription drug coverage is included in each of the plans, using the standardized Medicare formulary for Pennsylvania and fulfilling the requirements to be designated as “creditable coverage.” The provisions of the prescription drug coverage exceed the standardized plans offered directly by Medicare and independently by insurance carriers.

According to the Medicare Fact Sheet released in early November, 2010, the standard Medicare Part B monthly premium in Calendar Year 2011 will be \$115.40 (an increase from Calendar Year 2010’s \$110.50). Nevertheless, a significant number of retirees will continue to pay the same \$96.40 premium amount paid since Calendar Year 2008. For some, however, the monthly premium is an Income-Related Monthly Amount (IRMA) calculated for Calendar Year 2011 to be in a range up to \$369.10. (The range for Calendar Year 2010 was up to \$353.60.)

Medicare Update Summary

The Centers for Medicare and Medicaid Services (CMS) annually announce changes required to be made to plan coverages and communications. The CMS changes are included in the carrier grids as part of the annual enrollment packet. Furthermore, the carriers for the University of Pittsburgh - Sponsored plans mail documents entitled the Annual Notice of Change and Evidence of Coverage to retiree members (ANOC and EOC).

University-Sponsored Post-65 Medical Plans

Each of the University-Sponsored medical insurance plans coordinates coverage with Medicare Parts A and B. Prescription drug coverage is included in each of the plans, using the standardized Medicare formulary for Pennsylvania and fulfilling the requirements to be designated as “creditable coverage.” The provisions of the prescription drug coverage exceed the standardized plans offered directly by Medicare and independently by insurance carriers.

IF YOU HAVE A RESIDENCE IN A PENNSYLVANIA SERVICE AREA, YOU MAY ENROLL IN ONE OF THE FOLLOWING PLANS:

- » UPMC for Life HMO
- » UPMC for Life PPO-Standard
- » UPMC for Life PPO-Basic
- » UPMC Health Plan National Complementary Plan With Prescription Drug Plan (PDP)
- » Highmark Freedom Blue PPO-Standard
- » Highmark Freedom Blue PPO-Basic
- » Highmark Signature 65 (aka Complementary) With Blue Rx Prescription Drug Plan (PDP)

IF YOU EITHER DO OR DO NOT HAVE A RESIDENCE IN A PENNSYLVANIA SERVICE AREA, NEW NATIONAL OPTIONS PROVIDE THE CHOICE TO ENROLL IN ONE OF THE FOLLOWING PLANS:

- » Highmark Freedom Blue PPO-Standard
- » Highmark Freedom Blue PPO-Basic

IF YOU RESIDE OUTSIDE A PENNSYLVANIA SERVICE AREA, YOU MAY ENROLL IN ONE OF THE FOLLOWING PLANS:

- » UPMC Health Plan National Complementary Plan With Prescription Drug Plan (PDP)
- » Highmark Signature 65 (aka Complementary) With Blue Rx Prescription Drug Plan (PDP)

Brief “Medical Plan Explanations” are included here. For official details, refer to summary grids and other information to be provided by UPMC Health Plan and Highmark.

Medical Plan Explanations

MEDICARE ADVANTAGE PROGRAMS REQUIRING LOCAL RESIDENCY

Each program requiring local residency is based on a network developed and maintained on a continuous basis to include facilities in a significant number of counties in Pennsylvania. Both UPMC for Life and Highmark provide service area maps and other information about special features.

UPMC for Life HMO with Prescription Drug Plan (PDP)

Features include no deductibles, little paperwork, a broad range of coverage, and a comprehensive prescription drug program. In accordance with government regulations, you must maintain a residence in Western Pennsylvania. In the event that you travel, only emergencies are covered outside the area. However, prescription drug coverage is available through a nationwide network of pharmacies.

For more details, review the information to be provided by UPMC Health Plan, or call **1-866-778-6093**.

UPMC for Life PPO-Standard with Prescription Drug Plan (PDP)

This plan offers a broad range of in-network benefits generally at 100 percent coverage utilizing the UPMC network. Additionally, for those who travel for extended periods of time, this plan also provides comprehensive out-of-network coverage. Generally, the plan pays for 80 percent of all eligible out-of-network expenses, and participants are responsible for the remaining 20 percent up to the plan's out-of-pocket maximum after meeting the \$500 deductible. To qualify for this program, you must still maintain a residence in Western Pennsylvania. Within this program, a comprehensive and unlimited prescription drug benefit also is provided.

For more details, review the information to be provided by the carrier, or contact UPMC Health Plan at **1-866-778-6093**.

UPMC for Life PPO-Basic with Prescription Drug Plan (PDP)

Effective January 1, 2011, a new lower-cost PPO option is offered. The program provides the same prescription coverage as the other UPMC HMO and PPO programs. However, for in-network coverage, this plan has a \$250 deductible and most claims are covered at 90 percent until the out of pocket maximum of \$1,000 is reached. Out-of-network coverage has a \$500 deductible, with most claims covered at 80 percent with a \$3,400 out-of-pocket maximum.

For more details, review the information to be provided by the carrier, or contact UPMC Health Plan at **1-866-778-6093**.

Medical Plan Explanations (continued)

MEDICARE ADVANTAGE PREFERRED PROVIDER ORGANIZATION (PPO) WITH NATIONAL COVERAGE AND PLAN CHOICES

New For Calendar Year 2011

The FreedomBlue Preferred Provider Organization (PPO) plan will no longer have a local residency requirement. Previously, participants were required to reside in the Pennsylvania service area in order to be eligible to enroll. Effective January 1, 2011, this will no longer be a requirement, because the BCBS Association Network across the nation now shares Medicare Advantage PPO provider networks. Participants may enroll in FreedomBlue PPO and reside anywhere in the United States.

Another enhancement for Calendar Year 2011 involves the addition of a second FreedomBlue PPO option. The current plan offering will continue with minimal benefit changes and will be referred to as the Standard Option. The second plan option, referred to as the Basic Option, will have an in-network deductible and 90% in-network plan payment for most services. The Basic Option has a lower monthly premium compared to the Standard Option. The lower premium of the Basic Option may be attractive to participants who pay the full premium full cost (e.g. surviving spouses).

General information about the Standard Plan and Basic Plan is summarized in the statements below. The grid below is a general outline of the payment of claims under the new national provision applicable to either plan. Highmark provides official details about terms and conditions and identification of providers.

Highmark Freedom Blue PPO-Standard with Blue Rx Prescription Drug Plan (PDP)

PPO-Standard offers a broad range of in-network benefits generally at 100 percent coverage utilizing the Highmark network. Additionally, for those who travel for extended periods of time, this plan also provides comprehensive out-of-network coverage. Generally, the PPO-Standard pays for 80 percent of all eligible out-of-network expenses, and participants are responsible for the remaining 20 percent up to the plan's out-of-pocket maximum after meeting the \$250 deductible. Within this program, a comprehensive and unlimited prescription drug benefit also is provided.

For more details, review the information to be provided by the carrier, or contact Highmark at **1-800-550-8722**.

Highmark Freedom Blue PPO-Basic with Blue Rx Prescription Drug Plan (PDP)

Effective January 1, 2011, a new lower-cost PPO option is offered. The program provides prescription coverage comparable to Highmark Freedom Blue PPO-Standard. However, for in-network coverage, PPO Basic has a \$250 deductible and most claims are covered at 90 percent until the out of pocket maximum of \$1,000 is reached. Out-of-network coverage has a \$500 deductible, with most claims covered at 80 percent with a \$3,400 out-of-pocket maximum.

For more details, review the information to be provided by the carrier, or contact Highmark at **1-800-550-8722**.

Freedom Blue PPO BCBSA Network – How It Works

If a member seeks care in a county...	Plan	In-Network Doctors and Hospitals	Out-of-Network Doctors and Hospitals
With a participating Medicare Advantage PPO network	Standard	No deductible, plan pays 100% after copayment (Considered In-Network Claim)	After annual deductible, plan pays 80% (Considered Out-of-Network Claim)
	Basic	After annual deductible, plan pays 90% (Considered In-Network Claim)	After annual deductible, plan pays 80% (Considered Out-of-Network Claim)
Without a participating Medicare Advantage PPO network	Standard	No deductible, plan pays 100% after copayment (Considered In-Network Claim)	No deductible, plan pays 100% after copayment (Considered In-Network Claim)
	Basic	After annual deductible, plan pays 90% (Considered In-Network Claim)	After annual deductible, plan pays 90% (Considered In-Network Claim)

Medical Plan Explanations (continued)

NATIONAL AND LOCAL PROGRAMS NOT REQUIRING LOCAL RESIDENCY

UPMC Health Plan National Complementary Plan With Prescription Drug Plan (PDP)

This program provides coverage on nationwide basis, regardless of residency. Any physician or facility who participates with Medicare can accept the UPMC National Complementary Plan. This plan is a UPMC Health Plan product that provides complementary coverage to Medicare Parts A and B. The plan also provides prescription drug coverage through a nationwide network of providers.

For more details, review the information to be provided by the carrier,
or contact UPMC Health Plan at **1-866-778-6093**.

Highmark Signature 65 (aka Complementary) With Blue Rx (Prescription Drug Plan (PDP))

This program provides coverage on a nationwide basis, regardless of residency. Any physician or facility who participates with Medicare can accept Highmark Signature 65. This plan is a Blue Cross product that provides complementary coverage to Medicare Parts A and B. The plan also provides prescription drug coverage through a nationwide network of providers.

For more details, review the information to be provided by the carrier or contact
Highmark Signature 65 at **1-800-367-6565** or **1-800-472-1506**
and/or Blue Rx at **1-888-697-8714**.

Other Health Care Plans

Options for post-65 dental and vision coverage are also available as part of the University of Pittsburgh's retirement package. Please note that you are responsible for the full premium cost of these plans.

UCCI Concordia Access Dental

The program provides 100 percent coverage for the most common preventive and diagnostic procedures (e.g. cleaning and examinations). The plan pays for 70 percent of covered minor restorative services while members are responsible for the remaining 30 percent of the claim cost. Minor restorative services include fillings, simple extractions, and palliative treatment. Major restorative services are not covered but your cost will be based on the carrier's discounted rates. There is an annual maximum benefit of \$750 with an individual deductible of \$25. **The Medicare HMOs and PPOs provide limited dental benefits.**

For more details, you may contact United Concordia (UCCI), a Highmark Blue Cross/Blue Shield company, at **1-877-215-3616** or **1-800-332-0366**. Certain states may not have a fully developed network. Please be certain to discuss this with the carrier prior to your enrollment.

Davis Vision Fashion Plan

Vision coverage is offered through Davis Vision, a Highmark Blue Cross/Blue Shield company. Taking advantage of group discounts and reasonable rates, the program offers 100 percent coverage for an annual eye examination and lenses. A wholesale frame allowance is offered every 24 months. Any frame that is priced above the wholesale allowance may be purchased at discounted rates. **The Medicare HMOs and PPOs provided limited vision benefits.**

For more details, you may contact Davis Vision at **1-877-923-2847** or **1-800-999-5431**. The client control reference number is **7623**.

Monthly Cost Schedule of University-Sponsored Health Care Plan for Calendar Year 2011

The insurance premium rates listed below are for retirees who choose to participate in a University-Sponsored plan. All rates listed below are for individual coverage only. The full cost of the dental and vision programs is the responsibility of the retiree. Listed below is a schedule of the insurance premiums for 2011.

University Costs and Retiree Premiums (if applicable) "Old Plan" WITHOUT DDB Participation

University-Sponsored Medical Options	Total Premium	University Contribution	Retiree Responsibility
UPMC for Life HMO	\$233.00	\$233.00	\$0
UPMC for Life PPO-Standard	\$270.00	\$270.00	\$0
UPMC for Life PPO-Basic	\$229.00	\$229.00	\$0
UPMC National Complementary with PDP	\$343.50	\$217.75	\$120.23
Highmark Freedom Blue PPO-Standard	\$271.00	\$271.00	\$0
Highmark Freedom Blue PPO-Basic	\$216.00	\$216.00	\$0
Highmark Signature 65 with Blue Rx	\$267.00	\$173.55	\$93.45

University Costs and Retiree Premiums (if applicable) "New Plan" WITH DDB Participation

University-Sponsored Medical Options	Total Premium	University-provided DDB Credit	Retiree Responsibility
UPMC for Life HMO	\$233.00	\$324.00	\$0
UPMC for Life PPO-Standard	\$270.00	\$324.00	\$0
UPMC for Life PPO-Basic	\$229.00	\$324.00	\$0
UPMC National Complementary with PDP	\$343.50	\$324.00	\$19.50
Highmark Freedom Blue PPO-Standard	\$271.00	\$324.00	\$0
Highmark Freedom Blue PPO-Basic	\$216.00	\$324.00	\$0
Highmark Signature 65 with Blue Rx	\$267.00	\$324.00	\$0

The difference between the Premium and the Defined Dollar Benefit Credits (DDB) accrue in an account for the retiree, month to month and year to year. The unused, accrued DDB credits are accessed in the event the premium cost in particular month exceeds the University - provided DDB credits for a particular month.

Dental and Vision Plans

Options for Dental and Vision*	Total Premium	Retiree Responsibility	Six-month Premium
UCCI Concordia Access Dental	\$16.63	\$16.63	\$99.78
Davis Vision Fashion Plan	\$6.84	\$6.84	\$41.04

Note: *Enrollment in the Concordia Access Dental plan and Davis Vision plan is for a full 12-month period. If enrollment is canceled at any time during the 12-month period for any reason other than death, the annual premium amount is still owed to the carrier.

Prescription Drug Plan Designs

Calendar Year 2010 Compared to Calendar Year 2011 Based on 31-day Supply

UPMC for Life HMO

	31-Day Supply	
	Current	2011
Generic	\$5	\$10
Brand	\$30	\$35
Non-Preferred Brand	\$60	\$70
Specialty	25% coinsurance	

UPMC for Life PPO-Standard

	31-Day Supply	
	Current	2011
Generic	\$10	\$10
Brand	\$30	\$35
Non-Preferred Brand	\$60	\$70
Specialty	25% coinsurance	

UPMC for Life PPO-Basic (New Option)

	31-Day Supply	
	Current	2011
Generic	NA	\$10
Brand	NA	\$30
Non-Preferred Brand	NA	\$60
Specialty	25% coinsurance	

UPMC National Complementary

	31-Day Supply	
	Current	2011
Generic	\$10	\$10
Brand	\$20	\$30
Non-Preferred Brand	\$40	\$60
Specialty	25% coinsurance	

Highmark Freedom Blue PPO-Standard

	31-Day Supply	
	Current	2011
Generic	\$5	\$10
Brand	\$30	\$35
Non-Preferred Brand	\$60	\$70
Specialty	\$60 co-payment	

Highmark Freedom Blue PPO-Basic (New Option)

	31-Day Supply	
	Current	2011
Generic	NA	\$15
Brand	NA	\$35
Non-Preferred Brand	NA	\$70
Specialty	33% co-payment	

Highmark Signature 65

	31-Day Supply	
	Current	2011
Generic	\$10	\$15
Brand	\$30	\$35
Non-Preferred Brand	\$60	\$70
Specialty	\$60 co-payment	

NOTES

Each of the University-Sponsored medical plans includes prescription drug coverage. The coverage fulfills the requirements designated as "creditable coverage" and exceeds the standardized plans offered directly by Medicare and independently by the respective insurance carriers. Therefore, a retiree should not separately purchase prescription drug coverage.

The recently enacted Patient Protection and Affordable Care Act created the Medicare Coverage Gap Discount Program ("Discount Program"). Effective January 1, 2011, the Discount Program will make point-of-sale manufacturer discounts available to applicable Medicare beneficiaries (University retirees) receiving applicable covered Part D brand name drug while in the coverage gap.

The amount the beneficiary (retiree) pays at point-of-sale will generally be 50% of the liability (i.e. cost sharing) for brand name medications during the coverage gap based upon the selected plan. As a means of using the Discount Program to keep premiums affordable and maintain the overall cost share, co-pays are increased once the yearly out of pocket drug costs reach \$2,840. However, the actual amount the member pays will be generally offset by an equivalent amount as a result of the manufacturer's discount.

If copays are offered in the coverage gap and if a brand drug costs less than the copay, the discount will be 50% of the drug cost instead of 50% of the copay.

Defined Dollar Benefit Program

Introduction

The Defined Dollar Benefit (DDB) program was first introduced to new retirees effective July 1, 2004. In response to numerous requests, this program is now being offered to all retirees who are enrolled in University-Sponsored medical coverage.

Under the DDB program, you may continue enrollment in University-Sponsored coverage or you may elect any other retiree medical coverage. The cost of the premiums may be reimbursed from the credits in an account established for you and your eligible spouse/domestic partner.

General Information

On the first of each month, a fixed amount of credits (value) is applied to an account that may be used toward the reimbursement of retiree medical coverage.

The amount of credits (value) per month is reviewed annually and increased in accordance with the medical component of the consumer price index up to five percent.

To correspond with the federal government's Medicare renewals, credits (value) will be reviewed annually with an effective date of January 1. **As of January 1, 2011, credits will increase to \$324 per month.**

All post-65 retirees and their eligible spouses/partners are entitled to participate in the DDB program. DDB credits may be:

1. Applied toward the cost of a University-Sponsored medical plan.
2. Applied toward the cost of retiree medical coverage obtained independently of the University. Reimbursed on a monthly basis. Claim Form required each Calendar Year by retiree and spouse/domestic partner.
3. Accrued in your account for use at a later date if you have comparable retiree medical coverage from another insurance carrier, employer, or spouse/domestic partner.

Additional DDB Credit Guidelines

Credit Use/Reimbursement

Credits may be used to reimburse retirees and their eligible spouses/domestic partners for retiree medical coverage only.

Credits cannot be used toward the cost of dental, vision, life insurance, or any other **active** employee medical coverage whether at the University, another employer, or a spouse/domestic partner's active employee coverage.

Credit Accrual

Credits will not accrue while retirees and their spouses/domestic partners are covered under the University's pre-65 active medical plans. However, credits will accrue if coverage is obtained through a spouse/domestic partner or another employer.

Application of DDB Credits

When the Cost of Coverage Is Less Than the Amount (Value) of Credits in Your Account

Your credit balance will accrue from month to month and year to year if the cost of retiree medical coverage does not exceed the amount of credits (value) in your account. As such, the accrued credits (value) may be applied to retiree medical coverage at a later date.

When the Cost of Coverage Exceeds the Amount (Value) of Credits in Your Account

If you choose a University-Sponsored post-65 medical plan, your DDB credits will be applied toward the cost of coverage up to the credit (value) allowance. Any amount above and beyond the credit (value) allowance will then be withdrawn each month from the checking account you designate on the Automatic Premium Payment Authorization (APPA) form. Should you choose a Non-University-Sponsored post-65 plan, you must pay the full premium and then submit a claim form and supporting documentation to the Benefits Service Center. An explanation of the role of the Retiree Benefits Service Center appears on a later page. To the extent that the retiree medical plan costs more than the amount of credits (value) in your account, you will be reimbursed up to the DDB credit (value) allowance.

Defined Dollar Benefit Program (continued)

Illustrative Examples of How DDB Credits May Be Applied

All examples below are based on illustrative, not actual, monthly premiums/credits to illustrate a monthly cost of coverage. DDB credits must be applied to the full premium cost. As a reminder, post-65 retirees and spouse/domestic partner benefits are administered separately. A new claim form by each participant must be completed for each new calendar year.

1. To purchase University-Sponsored coverage:

A. The illustrative cost of coverage is LESS than the monthly DDB credit allowance:

You elect an HMO or PPO:

Your cost of coverage is:	\$200.00
Your DDB credits are:	\$324.00
<hr/>	
Total amount of credits that accrue each month:	\$124.00

B. The illustrative cost of coverage is MORE than the monthly DDB credit allowance:

You elect a complementary plan:

Your cost of coverage is:	\$400.00
Your DDB credits are:	\$324.00
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Total amount deducted monthly from your checking account:	\$76.00

2. To purchase Non-University-Sponsored coverage:

You move to Arizona and purchase a local Medicare HMO:

Your illustrative cost of coverage (illustrative for example) is:	\$500.00
Your DDB credits are:	\$324.00
<hr/>	
Total amount of credits that accrue each month:	\$0

You need to pay the full premium directly to the Arizona HMO. Then submit a receipt/proof of payment with a completed reimbursement form to the Retiree Benefits Service Center for reimbursement. A total of \$324 would be debited from your DDB accrual balance. The Retiree Benefits Service Center will transfer the \$324 to your checking account via direct deposit.

3. Accrue credits for future use:

Your spouse or domestic partner continues to work and places you on his or her active coverage:

Credits you accrue each month:	\$324.00
Credits your spouse or domestic partner accrues each month:	\$324.00
<hr/>	
Total accrual each month:	\$648.00

Note: The University reserves the right to modify or terminate these benefits at any time. Modifications that may affect this plan include those made by the federal government's Medicare or Medicare-related programs.

Enrollment

Steps to Take to Assure Enrollment in Coverage

Carefully review all of the options available to you. To assist you, there are reference materials for each of the insurance options, along with customer service telephone numbers and Web addresses.

- » *Please refer to the Eligibility on the inside front cover for information about official retirement status, enrollment options, and transitional period status.*
- » *Retirees and post-65 spouses/partners will receive separate packets and enrollment information and may choose separate medical plans.*

If you are not making any changes, NO ACTION is required; all current elections will remain the same.

- **Your University of Pittsburgh-Sponsored plans will remain in effect for the entire plan year of Calendar Year 2011, with no opportunity after annual enrollment to make changes until the annual enrollment for Calendar Year 2012.**
- **However, at any time during Calendar Year 2011, you may qualify to make a change if you move to a primary residence into or out of the Western Pennsylvania service area for HMOs and PPOs.**

If you are changing medical plans and/or starting the DDB program, you will need to choose one of the following options:

- A. Voluntary change to a different University-Sponsored medical plan **without** DDB participation. (University-Sponsored dental and/or vision also may be elected.)
- B. Participation in the DDB program to pay toward the full cost of one of the **University-Sponsored** medical plans. (University-Sponsored dental and/or vision also may be elected; DDB not applicable.)
- C. Participation in the DDB program to pay toward the full cost of a **Non-University-Sponsored** medical plan. (University-Sponsored dental and/or vision also may be elected; DDB not applicable.)
- D. Participation in the DDB program for purposes of accruing credits for use at a later date. (University-Sponsored dental and/or vision also may be elected; DDB not applicable.)
- E. **No** change to medical plans/DDB participation, but election or change of dental and/or vision plans.

Enrollment (continued)

Once you have made your choice, please see the corresponding information below to assure that all of the appropriate forms are completed. Only complete the necessary forms as stated below for the choice you have made.

A. Voluntary change to a University-Sponsored medical plan without DDB participation.

1. Complete the enclosed post-65 enrollment form. Complete the entire form that will be mailed to you.
2. Complete the corresponding carrier application that will be mailed to you. This application must be completed for Medicare.
3. Complete the enclosed Automatic Premium Payment Authorization (APPA) form that will be mailed to you. This form will need to be completed only if you would like to have the monthly premium, if applicable, deducted from your checking account. Dental and vision premiums would be deducted automatically as well. If you do not complete this form, you will receive an invoice from the Benefits Service Center for the premiums due.

B. Participation in the DDB program to pay toward the full cost of one of the University-Sponsored medical plans.

1. Complete the enclosed post-65 enrollment form. Complete the entire form that will be mailed to you.
2. Complete the corresponding carrier application that will be mailed to you. This application must be completed for Medicare.
3. Complete the enclosed Automatic Premium Payment Authorization (APPA) form that will be mailed to you. If you elect a medical plan that exceeds the monthly DDB credit allowance, that amount will be deducted automatically from an account you designate. Additionally, the full cost of an elected dental and/or vision plan will be deducted from this account.

C. Participation in the DDB program to pay toward the full cost of a Non-University-Sponsored medical plan.

1. Complete the enclosed post-65 enrollment form. Complete the entire form that will be mailed to you.
2. Complete the enclosed Automatic Premium Payment Authorization (APPA) form that will be mailed to you only if you are electing to participate in the University's dental and/or vision plan. The full cost of an elected dental and/or vision plan will be deducted automatically from an account you designate.
3. Complete the direct deposit form that will be mailed to you. The DDB credits will be applied to the checking account you designate on this form upon receipt and processing of a completed DDB claim form with supporting documentation. Claim forms may be obtained from retiree.hr.pitt.edu.

Enrollment (continued)

D. Participation in the DDB program for purposes of accruing credits for use at a later date.

1. Complete the enclosed post-65 enrollment form. Complete the entire form that will be mailed to you.
2. Complete the enclosed Automatic Premium Payment Authorization (APPA) form that will be mailed to you only if you are electing to participate in the University's dental and/or vision plan. The full cost of an elected dental and/or vision plan will be deducted automatically from an account you designate.
3. When you decide to start using the DDB credits, you will need to complete a direct deposit form for reimbursement of premiums. Both the direct deposit form and the DDB claim form may be obtained at retiree.hr.pitt.edu.

E. No change to medical plans/DDB participation, but election/change of dental and/or vision plans.

1. Complete the enclosed post-65 enrollment form. Complete the entire form that will be mailed to you.
2. Complete the Automatic Premium Payment Authorization (APPA) form that will be mailed to you. This form will need to be completed only if you would like to have the monthly premium(s) deducted from your checking account. If you do not complete this form, you will receive an invoice for the premiums due.

Program Administration

Benefits Service Center

The University of Pittsburgh partners with a third party administrator to handle retiree benefits administration through the Benefits Service Center. While the University remains responsible for the overall management of the retiree benefits program, the Benefits Service Center handles the general program administration and day-to-day operations of the Program for the University with offices located in downtown Pittsburgh.

The Benefits Service Center responsibilities include, but are not limited to:

- » Sending out retiree benefit enrollment packets to newly retired faculty and staff members;
- » Collecting benefits election forms and enrolling retirees in their elected programs;
- » Assuring proper enrollment in retiree medical, dental, vision, and University-Sponsored life insurance plans, as well as the Defined Dollar Benefit (DDB) program;
- » Sending out annual benefits enrollment packets to both post- and pre-65 retirees;
- » Invoicing when necessary;
- » Answering retirees' general questions; and
- » Administering the DDB program for participating retirees.

Recap–DDB Program Administration

While the University continues its responsibility for management of the DDB program, the Benefits Service Center is responsible for crediting and, if applicable, debiting your account each month and is responsible for general administration of the program. Listed below are several important points about the administration of the DDB program:

- » Credits will be applied on the first day of each month.
- » Credits are applied separately to the retiree's account and to the account of the eligible spouse/partner.
- » If you choose to participate in a University-Sponsored plan, your credits will be applied automatically each month toward the full cost of the plan you elect. If the cost of coverage is more than the credit allowance, the remaining amount will be deducted from a designated checking account.
- » If you choose to participate in a Non-University-Sponsored plan, you must pay the full cost of coverage up front.
 - » A DDB claim form (downloadable from retiree.hr.pitt.edu/forms.htm) must then be completed and submitted with proof of payment to the Benefits Service Center for the retiree medical coverage.
 - » Once approved, the Benefits Service Center will reimburse you for the payment up to the current DDB credit allowance in the account you designate. Claim Form required each Calendar Year by retiree and spouse/domestic partner.
- » In the event that both a retiree and his or her spouse/domestic partner participate in the DDB program, note that two separate applications of credits will occur for two separate DDB accounts. However, withdrawals and/or reimbursements may be made to and/or from the same checking account.

Who Do I Contact?

Resources for retirees include the insurance carriers, Retiree Benefits Service Center, and the University's Benefits Department.

Medical and Health Care Insurance

Pre-65 Coverage-Medical

UPMC Health Plan

www.upmchealthplan.com
1-888-499-6885

Post-65 Coverage-Medical

UPMC Health Plan

www.upmchealthplan.com
UPMC for Life HMO: 1-866-778-6093
UPMC for Life PPO: 1-866-778-6093
UPMC National Complementary Plan:
1-866-778-6093

Highmark Blue Cross Blue Shield

www.highmarkbcbs.com
Signature 65: 1-800-472-1506
FreedomBlue PPO: 1-800-550-8722
BlueRx: 1-888-697-8714

Pre-65 Coverage-Vision

Davis Vision

www.davisvision.com
1-800-999-5431
Client Control Code: 4228

Post-65 Coverage-Vision

Davis Vision

www.davisvision.com
1-800-999-5431
Client Control Code: 7623

Pre-65 Coverage-Dental

United Concordia Plus/Flex

www.ucci.com
1-877-215-3616

Post-65 Coverage-Dental

Concordia Access

www.ucci.com
1-800-332-0366

Life Insurance

Aetna Life Insurance Co.

www.aetna.com
Life Administration and Beneficiary
Management: 1-888-584-2983

Retirement Investment Companies

TIAA-CREF

www.tiaa-cref.org/pitt
1-800-842-2776

The Vanguard Group

www.vanguard.com
1-800-523-1188



University of Pittsburgh

*Benefits Service Center
c/o Business Process Outsourcing (BPO)
PO Box 535195
Pittsburgh, PA 15253-5195*

1-800-521-5561
Fax: 1-866-309-6152

*Office of Human Resources
Benefits Department
200 South Craig Street
Pittsburgh, PA 15260*

412-624-8160
www.retiree.hr.pitt.edu

How Do I Change My Address?

The Benefits Service Center will update the University's records as well as forward new contact information to the insurance carriers for University-sponsored health care and life insurance plans.