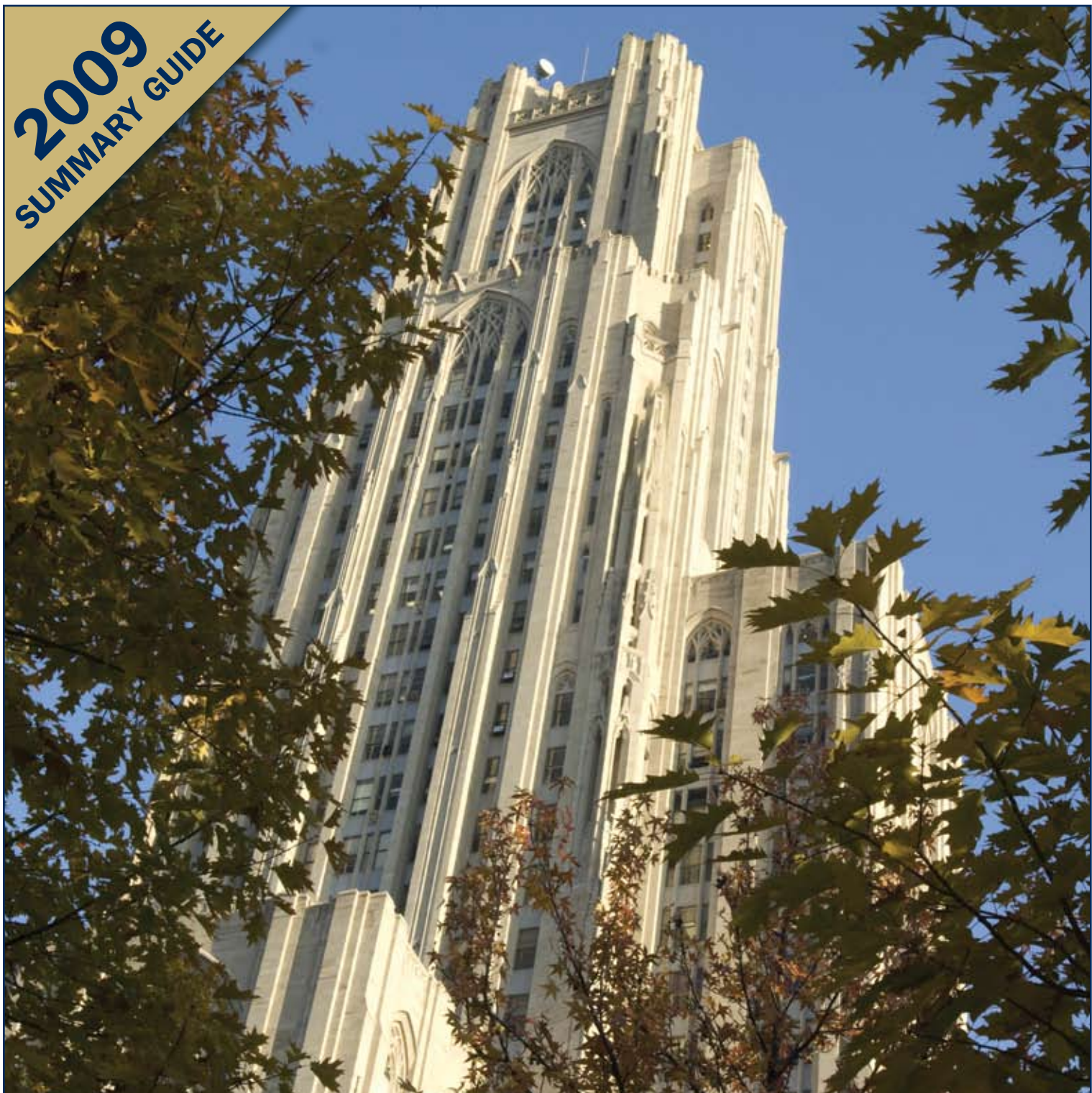


2009
SUMMARY GUIDE



Post-65 Health Care Plans

ANNUAL ENROLLMENT



University of Pittsburgh

*Office of Human Resources
Benefits Department*

200-B Craig Hall
200 South Craig Street
Pittsburgh, PA 15260
412-624-8160

Fall 2008

Eligibility Notes

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/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 2009 Calendar Year

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- » 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
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- » Enrollment form administered by the Benefits Service Center (EBDS)
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Overview

What remains the same?

The medical plan design generally remains the same. The prescription drug benefits associated with these programs do not include deductibles or caps on coverage.

The University of Pittsburgh continues to partner with Employee Benefit Data Services (EBDS) to handle retiree benefits administration through the Benefits Service Center. The University remains responsible for the overall management of the programs. EBDS handles general program administration and the day-to-day operations of the program, including statements and bills.

The University continues to offer health care insurance benefit coverage that is both attractive and affordable. Each of the University-sponsored HMO and PPO plans provides coverage for the same medical services covered by Medicare Parts A and B. The University-sponsored national plans coordinate payment after Medicare Parts A and B have paid. Prescription drug coverage is included with each of the plans, using a Medicare-approved formulary and providing creditable prescription coverage that exceeds other Medicare prescription drug plans.

What has changed?

While numerous plans have raised the co-payments for covered prescriptions, the University is retaining for 2009 the same cost share with minimal variation from what is in place for 2008. The University has not initiated any changes in plan designs for the medical coverage, except for the increase from \$15 to \$20 in the co-payment for specialist visits in the UPMC for Life HMO and PPO, and Highmark Freedom Blue PPO.

The Centers for Medicare and Medicaid Services have again generally limited their changes to enhancement in communication. From the carriers, you will receive in one combined mailing both the Annual Notice of Change and the Evidence of Coverage. The enclosed summary grids from UPMC Health Plan and Highmark provide an overview of the benefit plan designs for 2009.

Negotiations by the University held the overall cost increase to approximately 5.5 percent. As indicated by the schedule of Monthly Cost of Coverage for 2009 in the *Summary Guide*, the University is absorbing the entire increase for the HMO and PPO plans. The University also is absorbing a significant portion of the premium costs for the national plans.

Medicare

The standard Medicare premium for calendar year 2009, although under review by Congress, is published as \$96.40. However, according to new rules for higher incomes, the income-related premium will apply to some retirees (known as income-related monthly adjusted amount or IRMAA). The Medicare Part B premium is a monthly deduction from your Social Security check. Medicare adjusts deductibles on an annual basis. Please be certain to review the information provided to you by the federal government. You are invited to visit Medicare- and Social Security-dedicated Web sites:

www.medicare.gov

OR

www.ssa.gov

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 National Complementary Plan
- » UPMC for Life PPO
- » Highmark Signature 65
- » Highmark Freedom Blue PPO

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

- » UPMC National Complementary Plan
- » Highmark Signature 65

Below are brief explanations. For more details, refer to summary grids and other descriptions provided by UPMC Health Plan and Highmark.

Medical Plan Option Explanations

PROGRAMS REQUIRING LOCAL RESIDENCY

For 2009, UPMC for Life announced a significant enhancement to the network of Pennsylvania counties. The counties of Cameron, Clarion, Elk, Forest, and McKean are now included on the enclosed service area map. The enhancement applies to both the HMO and PPO plans.

Also enclosed is the service area map for Highmark Freedom Blue PPO.

UPMC for Life HMO with Prescription Drug Plan (PDP)

Features include no deductibles for most services, little paperwork, a broad range of coverage, and a comprehensive, unlimited 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 enclosed summary grid provided by the carrier, or contact UPMC at **1-866-778-6093**.

UPMC for Life PPO 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 enclosed summary grid provided by the carrier, or contact UPMC at **1-866-778-6093**.

Highmark Freedom Blue PPO with Blue Rx

This plan 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 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 \$250 deductible. To qualify for this program, you must still maintain a residence in a Pennsylvania service area. Within this program, a comprehensive and unlimited prescription drug benefit also is provided. For more details, review the enclosed summary grid provided by the carrier, or contact Highmark at **1-866-306-1061**.

NATIONAL AND LOCAL PROGRAMS

The UPMC National Complementary Plan with 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 the UPMC National Complementary Plan. It is a UPMC product that provides complementary coverage to Medicare Parts A and B. It also provides unlimited prescription drug coverage through a nationwide network of providers. The details of the plan are provided on the enclosed summary grid provided by the carrier. For more information, contact UPMC at **1-866-778-6093**.

Highmark Signature 65 with Blue Rx

This program provides coverage on a nationwide basis, regardless of residency. Any physician or facility who participates with Medicare can accept Highmark Signature 65. It is a Blue Cross product that provides complementary coverage to Medicare Parts A and B. It also provides unlimited prescription drug coverage through a nationwide network of providers. The details of the plan are provided on the enclosed summary grid provided by the carrier. For more information, please 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 (i.e., cleanings 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 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 additional details on the plan, 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 provide limited vision benefits.** For additional details on the plan, you may contact Davis Vision at **1-877-923-2847 or 1-800-999-5431**. The client control reference number is **7623**.

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 is applied to an account that may be used toward the reimbursement of retiree medical coverage. The amount of credits provided is reviewed each July 1 and increased in accordance with the medical component of the consumer price index up to 5 percent. As of July 1, 2008, the amount of credits per month is \$290 for retirees and \$290 for spouses/partners if they are age 62 or older.

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.
3. Accrued in your account for use at a later date if you have comparable medical coverage from another insurance carrier, employer, or spouse/partner.

Application of DDB Credits

When the Cost of Coverage Is Less Than the Amount 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 number of credits in your account. As such, the accrued credits may be applied to retiree medical coverage at a later date.

When the Cost of Coverage Exceeds the Amount 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 allowance. Any amount above and beyond the credit allowance will then be withdrawn each month from the checking account you designate on the enclosed 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 EBDS. To the extent that the retiree medical plan costs more than the credits in your account, you will be reimbursed up to the DDB credit allowance.

Additional DDB Credit Guidelines

Credit Use/Reimbursement

Credits may be used to reimburse retirees and their eligible spouses/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/partner's active employee coverage.

Credit Accrual

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

DDB Program Administration

While the University continues its responsibility for management of the DDB program, EBDS 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 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 EBDS for the retiree medical coverage.
 - » Once approved, EBDS will reimburse you for the payment up to the current DDB credit allowance in the account you designate.
- » In the event that both a retiree and his or her spouse/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.

Examples of How DDB Credits May Be Applied

All examples below are based on 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/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 cost of coverage is LESS than the monthly DDB credit allowance:

You elect UPMC for Life HMO:

Your cost of coverage is:	\$155.00
Your DDB credits are:	\$290.00
<hr/>	
Total amount of credits that accrue each month:	\$135.00

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

You elect Highmark Signature 65:

Your cost of coverage is:	\$373.48
Your DDB credits are:	\$290.00
<hr/>	
Total amount deducted monthly from your checking account:	\$ 83.48

2. To purchase non-University-sponsored coverage:

You move to Arizona and purchase a local Medicare HMO:

Your cost of coverage (illustrative for example) is:	\$275.00
Your DDB credits are:	\$290.00
<hr/>	
Total amount of credits that accrue each month:	\$ 15.00

You need to pay the premium to the Arizona HMO and then submit a receipt/proof of payment with a completed reimbursement form to EBDS for reimbursement. A total of \$250 would be deducted from your \$290 in credits. EBDS will transfer the \$250 to your checking account via direct deposit. As a result, a \$15 credit balance would be placed in your accrual account that month.

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:	\$290.00
Credits your spouse or domestic partner accrues each month:	\$290.00
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Total accrual each month:	\$580.00

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.

Procedure for Enrollment

Carefully review all of the options available to you. To assist you, enclosed are reference materials for each of the insurance options, along with customer service telephone numbers and Web addresses. **If you are not making any changes, NO ACTION is required; all current elections will remain the same.**

Please refer to the Eligibility Notes 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 changing medical plans and/or starting the DDB program, you will need to choose one of the following options:

- A. Voluntary change of University-sponsored medical plans **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.

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

You will not need to complete all of the forms/applications that were included in this mailing.

- A. **Participation in a different University-sponsored medical plan without DDB participation.**
 - 1. Complete the enclosed post-65 enrollment form. Complete the entire form.
 - 2. Complete the corresponding carrier application that was included with this mailing. This application must be completed for Medicare.
 - 3. Complete the enclosed Automatic Premium Payment Authorization (APPA) form. 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 EBDS for the premiums due.
 - 4. Return all completed forms in the envelope provided by Friday, December 19, 2008.

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.
2. Complete the corresponding carrier application that was included in this mailing. This application must be completed for Medicare.
3. Complete the enclosed Automatic Premium Payment Authorization (APPA) form. 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.
4. Return all completed forms in the envelope provided by Friday, December 19, 2008.

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.
2. Complete the enclosed Automatic Premium Payment Authorization (APPA) form 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 enclosed direct deposit form. The DDB credits will be applied by EBDS 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.
4. Return all completed forms in the envelope provided by Friday, December 19, 2008.

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.
2. Complete the enclosed Automatic Premium Payment Authorization (APPA) form 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. Return all completed forms in the envelope provided by Friday, December 19, 2008. 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.
2. Complete the enclosed Automatic Premium Payment Authorization (APPA) form. 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 from EBDS for the premiums due.
3. Return the completed forms in the envelope provided by Friday, December 19, 2008.

Monthly Cost of Coverage for 2009

Regardless of the medical plan chosen, you are responsible for the Medicare Part B premium. This is a monthly deduction from your Social Security check. The standard Medicare premium for calendar year 2009, although under review by Congress, is published as \$96.40. However, according to new rules for higher incomes, the income-related premium will apply to some retirees. 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 2009.

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	\$155.00	\$155.00	\$0
UPMC for Life PPO	\$184.00	\$184.00	\$0
Highmark Freedom Blue PPO	\$197.00	\$197.00	\$0
UPMC National Complementary Plan	\$340.00	\$221.00	\$119.00
Highmark Signature 65	\$373.48	\$242.76	\$130.72

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	\$155.00	\$290.00	\$0 (accrue \$135.00)
UPMC for Life PPO	\$184.00	\$290.00	\$0 (accrue \$106.00)
Highmark Freedom Blue PPO	\$197.00	\$290.00	\$0 (accrue \$93.00)
UPMC National Complementary Plan	\$340.00	\$290.00	\$50.00
Highmark Signature 65	\$373.48	\$290.00	\$83.48

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.