



November 4, 2011

**Re: Healthcare Plan Changes for Retirees of Columbia University**

Dear Colleague,

We are writing to inform you about changes to your retiree healthcare benefits for 2012. Earlier this year, the Task Force on Fringe Benefits released its preliminary recommendations regarding benefits programs for Officers. Among its objectives, the Task Force was charged with finding ways to continue to provide competitive, high-quality, and affordable healthcare plans.

With increasing healthcare costs, the longer-term affordability of health insurance is a concern—for the University and you. As a result, there are changes to the monthly cost of medical coverage as well as changes to benefit provisions (e.g. copays, deductibles).

Many Columbia University retirees have asked why cost increases in recent years have exceeded published medical trends. There are a number of reasons for this disparity. The University maintains healthcare benefits that, in general, are more generous than average retiree healthcare benefit programs offered by other employers. Also, Columbia University retirees reside primarily in a high cost metropolitan area. Therefore, the University's benefits cost increases at a faster rate than national or regional averages. Lastly, the University subsidizes the monthly cost of medical and prescription drug coverage up to a certain dollar maximum. The maximum amount that Columbia University contributes toward the cost of retiree healthcare coverage is a fixed annual dollar amount that was first introduced to those who retired on or after July 1, 1994.

Currently, the *monthly* maximum dollar amount that Columbia contributes for retiree medical insurance is:

\$248 for a retiree under age 65

\$144 for a retiree over age 65

\$124 for an eligible dependent under age 65

\$72 for an eligible dependent over age 65

As medical and prescription drugs costs have continued to rise, retirees pay an increasing share of those costs.

The University is maintaining the current benefit options while introducing new, lower cost alternatives such as the Medicare Advantage plans in order to provide affordable choices to retirees.

**Summarized below are the key changes to the healthcare plans.**

**PRE-65 Medical Coverage:**

- **POS 90 Plan Changes: Aetna, CIGNA and UHC**
  - Routine office visit copay is increasing to \$30.
  - The deductible is \$200 for *each family member*. This is an important change from 2011.
  - Emergency Room copay is increasing to \$150; it is waived if you are admitted to the hospital.
  - Out-of-network reimbursement will be significantly lower than in 2011.
  - For additional POS 90 information, see the “Medical Plan Comparison” chart included in this packet.
  
- **POS 100 Plan Changes: CIGNA & UHC**
  - Routine office visit copay is increasing to \$30.
  - Inpatient hospital copay is increasing to \$500 for each admission.
  - *New* outpatient hospital copay of \$150 for outpatient surgery and other outpatient hospital services, including radiology and lab work.
  - Emergency Room copay is increasing to \$150; it is waived if you are admitted to the hospital.
  - Out-of-network reimbursement will be significantly lower than in 2011.
  - For additional POS 100 information, see the “Medical Plan Comparison” chart included in this packet.
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- **In-Network Preventive care remains covered at 100%**
  
- **Out-of-network coverage: Aetna, CIGNA and UHC**
  - There are significant changes to out-of-network benefits for the POS 90 and 100 plans. The out-of-network benefits are the same for each of the POS options.
  - Coinsurance is decreasing to 60%. This means the amount you pay toward covered services will increase to 40%.
  - The deductible for the POS options is \$600 for *each family member*.
  - Reimbursement for out-of-network services will not be based on Reasonable & Customary (R&C) limits. In 2012, the maximum reimbursement for out-of-network services will be based on 150% of Medicare’s Maximum Allowable Charge. This will mean significantly lower reimbursement for out-of-network services than in 2011.
  - If you see doctors or other providers who do not participate in your selected network, your share of the cost will be significantly higher.

**POST-65 Medical Coverage:**

- **POS 100 Plan Changes: UHC**
  - Routine office visit copay is increasing to \$30.
  - Inpatient hospital copay is increasing to \$500 for each admission.

- New outpatient hospital copay of \$150 for outpatient surgery and other outpatient hospital services, including radiology and lab work.
  - Emergency Room copay is increasing to \$150; it is waived if you are admitted to the hospital.
  - Out-of-network reimbursement will be significantly lower than in 2011.
  - For additional POS 100 information, see the “Medical Plan Comparison” chart included in this packet.
- **In-Network Preventive care remains covered at 100%**
  - **Out-of-Network**
    - The changes described above also apply to the out-of-network benefits covered under the UHC POS 100 plan for Post-65 retirees.
  - **Aetna and UHC Medicare Advantage Plans**
    - There are a number of changes to these plans, including the prescription drug benefits. Please see the enclosed Schedule of Benefits for each of these options.

### Additional Reminders for 2012

- Each Point-of-Service (POS) Plan provides benefits outside of the network. If you are almost age 65, please know that the healthcare plans offered by the University will not pay for Medicare-eligible expenses. You must enroll in Medicare Parts A and B at least 3 months prior to the first day of your birth month.
- If you change your medical plan after January 1, 2012 (for example, in July of 2012), you will have to meet new deductibles and out-of-pocket maximums.
- The drug coverage administered by Medco has no copay changes for 2012; however there are copay changes to the Medicare Advantage Plans. Refer to the enclosed Medical Plan Comparison charts.

### Enclosed are the Following Materials:

- **2012 Retiree Medical Costs** – This chart shows the cost for medical and prescription drug coverage for retirees as well as eligible dependents.
- **2012 Retiree Medical Plan Comparison Charts** – These charts provide a high-level summary of your retiree medical plan choices.
- **2012 Medical Plan Election Forms** – Complete if you wish to change coverage only.
- **Premium Coupons** – Provided for January 2012 through December 2012. If you have automatic payments set up to pay for your retiree medical premiums, you will notice the increase to your deduction amount. (You can disregard the enclosed premium coupons.)
- **ACH Form** – This is used to authorize automatic payment directly from your bank account to EBPA. If you have already this payment arrangement, please disregard this form. If not, we highly recommend using this payment method to avoid cancellation and/or disruption of your retiree healthcare coverage.

- **Creditable Coverage Disclosure Notice for Retirees of Columbia University** – Please keep this for your records as confirmation that you have prescription drug coverage that is comparable to Medicare Part D.
- **United Health Care Group Medicare Advantage Summary & Enrollment Forms Group CU2143**
  - NY Plan #66013 H3307-802
  - NJ Plan #40512 H3107-801
- **Aetna Medicare PPO Plan Summary & Enrollment Forms – Group AE380867**
  - PPO Plan - #AE 431415 – Use this form if you live in California, Florida, Massachusetts, Maryland, Maine, North Carolina, New Jersey, New York and Pennsylvania
  - ESA PPO Plan (National) # AE431336 – Use this form for all other locations.

## CHANGING YOUR MEDICAL PLAN?

If you would like to select a new medical plan for 2012, you must do so **by December 2, 2011**. Please return your completed benefit election forms to:

EBPA

37 Industrial Drive

Exeter NH 03833-4593

Or, fax your benefit election form to EBPA at (603) 773-4410.

Once EBPA receives your election form, new payment coupons will be mailed to you.

If you select a Medicare Advantage Plan for yourself and/or your spouse, you must complete a *Columbia University Medical Plan Election form for Retirees Age 65 and older* **and** a Medicare Advantage Plan *Enrollment form*. If both you and your spouse decide to elect this Plan, **be sure to complete two enrollment forms. The forms should be submitted to UnitedHealthcare Secure Horizons Group or Aetna Medicare Advantage PPO Plan at least 30 days prior to the enrollment effective date.**

If you decide to terminate your coverage from a Medicare Advantage Plan, it's important that you contact your selected carrier (Aetna or UHC) 30 days prior to the date you wish to terminate your enrollment. This will help ensure a smooth transition to Traditional Medicare.

Medicare Advantage Plans do not cover a spouse and/or dependent children under age 65 unless enrolled in Medicare Part A & B. You will need to make a separate election using the *Columbia University Medical Plan Election form for Retirees under age 65* for your spouse and/or your dependent children.

For additional information about the Aetna or UHC Medicare Advantage plans, please visit our website at [www.hr.columbia.edu/benefits/retirees](http://www.hr.columbia.edu/benefits/retirees). To learn more about Medicare, please

check out the **Federal Tip Sheet** called “**Understanding Medicare Enrollment Periods**” located under the **External Resources** section on the same website.

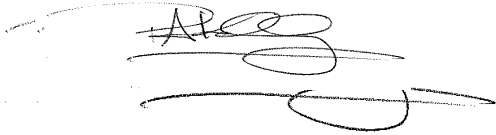
***If you do not wish to make a change, you do not need to do anything*** to keep your current medical plan. Simply use the enclosed coupons to make your payments or use the completed ACH form to facilitate automatic deductions from your bank account.

You can make a change at any time during the year if you have a “qualified life status change”. Examples include marriage, divorce, and death of a covered dependent. Please notify the Columbia Benefits Service Center within 31 days of the event if you want to make a change to your benefit coverage.

## QUESTIONS?

If you have any questions about your retiree medical benefits, please call the Columbia Benefits Service Center at (212) 851-7000 and select the “Retirement” option to speak to a Retirement Benefits Specialist.

Sincerely,

A handwritten signature in black ink, appearing to read "Paul A. Kelly", with a large, stylized flourish underneath.

Paul A. Kelly  
Director of Retirement  
Columbia University Benefits

Enclosures