Iowa State University
Retiree Open Change Period for 2013

Presentation followed by Questions & Answers
October 24, 2012  1:30-2:30 P.M.
Memorial Union, Sun Room

To Do List
- Attend presentation on October 24, 2012 from 1:30 to 2:30 in the Memorial Union Sun Room.
- Review insurance choices and information, understand plan differences.
- Follow up with ISU Benefits Office with any questions or clarifications or if you can’t attend the presentation.
- Decide on insurance for 2013 by December 7, 2012.
- If keeping current ISU coverage, you do not need to do anything but relax and wait for 2013 for new premium rate.
- If making a change from current ISU coverage to new ISU coverage, complete attached change form before the deadline.
- If dropping ISU coverage, complete the attached drop form.
- If you or your spouse are not yet Medicare eligible but it is coming up, read the inside information carefully.

Remember!
Your ISU Medical/Prescription Plan is a two-part plan for one price. ISU has Wellmark collect the medical premium from retirees. The premium is for both medical and prescription (now Express Scripts, formerly Medco and those on Medicare D, Humana) drug coverage. Enrolling in either a non-ISU medical or prescription drug plan will result in termination of your ISU Plan. Once you are off the ISU Plan you cannot return to the coverage.

If an assisted living facility, nursing home or other facility wants to enroll you or your dependent in a different prescription plan because the facility is not participating with our plan, you should not agree. It is necessary to keep Humana to be in our group plan. Humana can assist you in finding another retail/long term care pharmacy or using the Humana RightSource mail order is an option.

- An ISU retiree may have lifetime medical and/or dental insurance coverage.

- A spouse of a retiree may also have lifetime coverage, if the spouse is insured on the retiree’s plan at the time of the retiree’s death. If a spouse does survive the retiree, they should contact the ISU Benefits Office. The surviving spouse will complete a form to transfer the policy to their name.

- If a retiree decides to drop the ISU Plan medical or dental coverage, they will not be able to rejoin the ISU Plan at a later date.

- Participants may change between the two ISU health plans every year during the open change period, the changes made during the open change are effective on February 1, 2013.

- If a member joins ISU HMO (Blue Advantage) and later decides to move out of Iowa, the member has the option to switch to the ISU PPO plan at the time of the move to maintain coverage in our group plan. The ISU PPO plan offers coverage for out-of-Iowa residents, to remain in the ISU Plan. Contact the Benefits Office.

- Do not assume all services are eligible for coverage from Medicare or the ISU Plan. Know your coverage and ask questions prior to approving medical procedures.
Prepare for Medicare – if not yet Medicare eligible

Medicare becomes the primary insurance when a retiree or disabled participant first becomes eligible; at age 65 for most but may be earlier if disabled. If an eligible participant postpones enrollment in Medicare, there is a reduction in benefits from the ISU medical coverage until Medicare participation begins. In addition, late enrollment in Medicare may result in lifelong penalties added to the regular Medicare premiums.

2013 Medicare and shopping for different coverage:
Because the ISU retiree plan for Medicare participants is a carve-out plan (secondary to Medicare, not a supplement) most co-pays and coinsurances indicated in the medical comparison in this mailing are not billed to the Medicare participants.

Each year Medicare eligible participants have an opportunity to enroll in any Medicare supplement plan, some may require medical screening. Remember, the ISU Plan, is a plan secondary to Medicare. It is not a standardized, individual “Medigap” plan such as Plan F or N. It is not a Medicare Advantage Plan (Medicare C) and it is not a Private-Fee-For-Service Plan. ISU investigated those options and believe our existing options are the best options to offer our retirees. In addition, those on the ISU Plan continue to have the support of the ISU Benefits Office staff in resolving issues with coverage.

If you are joining a private plan and leaving the ISU Plan, make certain to enroll in an individual Medicare Part D as well as a medical plan. The certificate of creditable prescription coverage included in your material should be provided to a new plan when enrolling. Retirees cannot stay in the ISU Medicare Part D Group plan with Humana if leaving the ISU Wellmark medical plan. And retirees cannot stay in the Wellmark medical plan if they are enrolling in a Medicare Part D plan that is not our group plan.

More about Medicare - Retirees under 65, currently receiving Social Security benefits, will receive a Medicare card 2-3 months before the 65th birth month. If not currently receiving benefits, call 1-800-772-1213 three months before the 65th birthday to sign up for Medicare.

Medicare Parts A and B
Once the Medicare card, indicating Medicare Parts A and B and the effective dates for both, arrives, please contact the ISU Benefits Office. We provide the information to Wellmark and Medicare must become the primary payer on the claims and the ISU Plan will be the secondary coverage.

Medicare Part D
Humana is the ISU Plan Part D prescription drug plan when participants become Medicare eligible. Retirees do not pay premiums directly to Express Scripts (formerly Medco) or Humana. Wellmark collects the retiree premiums for ISU. The payments create the retiree pool and funds from the pool pay medical and pharmacy coverage. Members in our retiree group must transfer from Express Scripts (formerly Medco) to Humana when eligible for Medicare. The ISU Benefits Office mails a Humana form to members that will be newly eligible for Medicare. The forms are returned to ISU for processing to Humana. The Humana card replaces the Express Scripts (formerly Medco) card. Family members who are not eligible for Part B will remain on Express Scripts.

If a retiree signs up for any other Medicare Supplement or Part D Prescription Drug plan, the retiree and any family member on the plan with them, must terminate the ISU Plan and will not be able to rejoin the group plan. Please communicate with the ISU Benefits Office if you intend to enroll elsewhere.

Medicare Part A is usually at no cost to those eligible. Medicare Part B premiums are income-based and assessed by Social Security. Medicare Part D is also based on income. Those qualifying for low income subsidies are refunded a portion of the premium from ISU. Those with high income may be assessed an additional fee for Medicare Part D which is deducted from the Social Security income.
MEDICAL MONTHLY PREMIUMS FOR 2013
The premiums include a small administration fee for the ISU Benefits Office. This fee, implemented in 2010, is for the cost involved with providing service to our retiree participants.

<table>
<thead>
<tr>
<th>Plan Tier (price includes prescription coverage of Express Scripts and/or Humana)</th>
<th>PPO and Rx</th>
<th>HMO and Rx</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retiree Only</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Not Medicare eligible</td>
<td>$498.00</td>
<td>$482.00</td>
</tr>
<tr>
<td>Medicare eligible</td>
<td>$264.00</td>
<td>$252.00</td>
</tr>
<tr>
<td>Retiree and Spouse or Partner</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Two not Medicare eligible</td>
<td>$1,136.00</td>
<td>$1,105.00</td>
</tr>
<tr>
<td>One with Medicare, one without Medicare</td>
<td>$761.00</td>
<td>$733.00</td>
</tr>
<tr>
<td>Two Medicare eligible</td>
<td>$527.00</td>
<td>$503.00</td>
</tr>
<tr>
<td>Retiree and Child(ren) only</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Retiree is not Medicare eligible</td>
<td>$887.00</td>
<td>$865.00</td>
</tr>
<tr>
<td>Retiree is Medicare eligible</td>
<td>$653.00</td>
<td>$635.00</td>
</tr>
<tr>
<td>Family-Retiree, Spouse or Partner &amp; child(ren)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Retiree is not Medicare eligible</td>
<td>$1,455.00</td>
<td>$1,405.00</td>
</tr>
<tr>
<td>Retiree is Medicare eligible</td>
<td>$1,221.00</td>
<td>$1,175.00</td>
</tr>
</tbody>
</table>

Know the coverage: For those enrolled in Medicare Part A & B, network rules apply but member liability (copays and co-insurance) is usually reduced, depending on Medicare and Wellmark coordination of benefits.

-The **PPO plan** is Alliance Select. This plan network has participating providers all over the U.S.A. This plan is the only ISU plan for retirees residing outside of Iowa. It is also the plan for those who travel extensively or those wanting a wider network of providers. The PPO requires in-network providers only for routine services. If all eligible services are received from providers in the PPO network, PPO participants will have less to pay.

If non-routine services are received from providers outside of the network, the coverage has a deductible and higher co-insurance and an out-of-pocket maximum. If routine services are from providers outside of the network the services will not be covered by the ISU Plan.

-The **HMO plan** is Blue Advantage. This plan has a network of participating physicians in Iowa and some counties in some bordering states. Contact Wellmark or use their website to check for network providers.

The **HMO** offers (but does not require) a guest membership for long term travelers. The guest membership is free. For those who have a permanent residence in Iowa but do extensive traveling for more than 90 days at a time, the HMO is still an option. Call Wellmark for additional details regarding the Blue Advantage ISU HMO plan and for help in following the HMO requirements. Remember to have all routine services at home in Iowa with the designated PCP.

For travelers that do not implement a guest membership, emergency room services are included in the plan, even when out of the Iowa network.

Each member in the HMO contract is required to designate a Primary Care Physician (PCP), which may be different for other family members. Physician Assistants and Nurse Practitioners may be PCPs. Female participants may elect to also designate a primary OB-GYN Physician for their yearly OB-GYN exams.

Check with local providers (Clinics, Hospitals, Specialists, Chiropractors, etc. regarding their possible participation. A Wellmark recognized Network, Primary Care Physician (PCP) must be designated on the change form when electing the HMO plan.

See the separate plan summaries in this mailing or read the certificates of coverage on the ISU web pages for greater details about the coverage. [http://www.hrs.iastate.edu/hrs/node/166](http://www.hrs.iastate.edu/hrs/node/166)
ISU Plan Health Coverage and Healthcare Reform

This group health plan believes this coverage is a “grandfathered health plan” under the Patient Protection and Affordable Care Act (the Affordable Care Act). As permitted by the Affordable Care Act, a grandfathered health plan can preserve certain basic health coverage that was already in effect when that law was enacted. Being a grandfathered health plan means that your plan may not include certain consumer protections of the Affordable Care Act that apply to other plans, for example, the requirement for the provision of preventive health services without any cost sharing. However, grandfathered health plans must comply with certain other consumer protections in the Affordable Care Act, for example, the elimination of lifetime limits on benefits.

Questions regarding which protections apply and which protections do not apply to a grandfathered health plan and what might cause a plan to change from grandfathered health plan status can be directed to the plan administrator at 3810 Beardshear Hall, Iowa State University. You may also contact the U.S. Department of Health and Human Services at www.healthreform.gov.

Dependents under the age of 26 – The Health Care Reform law allows adult children to be on a parent’s health or dental plan to age 26, regardless of marital or student status. An adult child’s coverage would terminate on December 31 after turning 26. During the open change period, the dependents who qualify may be added to the health or dental plans. For dependents who are unmarried, full-time student, there is not a maximum age for coverage. Total and permanently disabled children do not have an age limit. The disability must be verified as total and permanent by Wellmark prior to age 26 and the child must be insured on the ISU plan at the time of disability.

Prescription Drug Coverage by Express Scripts or Humana

<table>
<thead>
<tr>
<th>Prescription Drug Coverage Required Notice</th>
</tr>
</thead>
<tbody>
<tr>
<td>Iowa State University has determined that the Express Scripts (formerly Medco) and Humana prescription drug coverage with the ISU Plan is as good as or better coverage than the standard Medicare prescription drug coverage (Part D). This means that your ISU Plan coverage is considered “creditable coverage” and that you will not pay extra if you later decide to enroll in an individual Medicare prescription drug plan (please see enclosed Notice of Creditable Coverage).</td>
</tr>
</tbody>
</table>

- If you contemplate enrollment in other Medicare Part D options that may be marketed to you, be aware changing pharmacy benefits requires changing from the ISU Plan medical plan as well. The medical and pharmacy plans offered by ISU are only offered as a combined package. You are not able to enroll in just the medical plan.

- If you enroll in a different Medicare Part D or a Medicare Advantage plan, you will be required to end your coverage in the ISU Plan because there cannot be duplication of coverage. If you drop your coverage through Iowa State University, you are not allowed to re-enroll at a later date.

- If you receive notice that you have been or are being dropped from your ISU Express Scripts (formerly known as Medco) or Humana plan and you did not take action to terminate the coverage yourself, please contact the ISU Benefits Office.

- Humana is required by Center for Medical Services (CMS) to provide an annual Prescription Formulary and a new ID card. This card should have the same ID number as your card for 2012. Please use the new ID card. The formulary mailed to you is abbreviated. For the comprehensive formulary please use the website or call the customer service number on your ID card. The web link is http://www.humana.com/group_health_insurance/drugs/prescription_tools/drug_list.aspx
DENTAL COVERAGE

- The dental coverage does not have a rate increase for 2013.
- The Basic Dental plan will have “CheckUp Plus” as a feature of the plan beginning February 1, 2013. See the example in the box below.
- The Comprehensive Dental plan does not have any benefit changes for 2013.
- Both plans continue to have limitations on services, review with Delta prior to approving services.
- Dental coverage is not provided by Medicare.
- If you have previously dropped the ISU dental coverage, you are not able to enroll.

Example assumes two routine checkups (two exams, routine bitewing x-ray, two cleanings), covered 100% and $750.00 annual maximum.

<table>
<thead>
<tr>
<th>Delta Dental pays</th>
<th>Member Pays</th>
<th>Basic ISU Plan Benefits without CheckUp Plus 2012 and prior years</th>
<th>Basic ISU Plan Benefits with CheckUp Plus on 2-1-2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>$350</td>
<td>$0.00</td>
<td>Annual Maximum Remaining after 2 checkups</td>
<td>Annual Maximum Remaining after 2 checkups</td>
</tr>
<tr>
<td></td>
<td></td>
<td>$400 ($750 minus $350)</td>
<td>$750</td>
</tr>
</tbody>
</table>

See the separate plan summaries in this mailing or read the certificates of coverage on the ISU web pages for greater details about the coverage. [http://www.hrs.iastate.edu hrs/node/166](http://www.hrs.iastate.edu hrs/node/166)

DENTAL RATES FOR 2013

<table>
<thead>
<tr>
<th>Plan Tier</th>
<th>Basic Plan</th>
<th>Comprehensive Plan</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retiree</td>
<td>$26.00</td>
<td>$42.00</td>
</tr>
<tr>
<td>Retiree &amp; Spouse or Partner</td>
<td>$56.00</td>
<td>$103.00</td>
</tr>
<tr>
<td>Retiree &amp; Child(ren)</td>
<td>$63.00</td>
<td>$108.00</td>
</tr>
<tr>
<td>Family</td>
<td>$71.00</td>
<td>$122.00</td>
</tr>
</tbody>
</table>

Vendor Value-Added Discounts

Blue365® Member Discounts and Services –

As a member of the Blues, you have access to discounts and services through Blue365, a program designed by the Blue Cross Blue Shield Association. Check out the website below or call Wellmark regarding discounts or services including Diet, Family Care, Financial, Fitness, Hearing (aids), Travel and Vision (eyewear). [http://www.wellmark.com/Member/UsingBenefits/Blue365.aspx](http://www.wellmark.com/Member/UsingBenefits/Blue365.aspx)

Delta Dental of Iowa also offers a vision (eyewear) discount program. If you continued the coverage for dental, you have access to this discount program. [http://www.deltadentalia.com/subscriber/visiondiscount](http://www.deltadentalia.com/subscriber/visiondiscount)

Long Term Care Insurance

The Iowa Senior Health Insurance Information Program (SHIIP) has a great reference for understanding and evaluating the need for long term care insurance. Their publication, Iowa Guide to Long Term Care Insurance is available on-line or through the mail. You can find this at this link below or call 1-800-351-4664. [http://www.shiip.state.ia.us/Resources/LTC%20Guide%208-09.pdf](http://www.shiip.state.ia.us/Resources/LTC%20Guide%208-09.pdf)

If you have already purchased Long Term Care insurance, you probably will want to keep it but if you have been putting it off, the SHIIP site has a list of the companies selling their product to individuals in Iowa. In addition, Iowa State University joined with the Board of Regents institutions in finding another group plan option, beginning early next year. No details are available at this time but if you are interested in considering the group option, call the ISU Benefits Office after January 15, 2013.
For more information on Medicare, you may visit your local Social Security Office, make an appointment with Senior Health Insurance Information Program (SHIIP). Or check with your local hospital to see if they have SHIIP volunteers available. Or visit these websites:
Medicare: www.medicare.gov (SHIIP): www.shiip.state.ia.us

Table: Important Phone Numbers and Internet Sites

<table>
<thead>
<tr>
<th>Iowa State University Human Resources Service Center</th>
<th>Prescription Customer Service</th>
<th>Medical</th>
</tr>
</thead>
<tbody>
<tr>
<td>515-294-4800 or toll free 1-877-477-7485</td>
<td>Express Scripts (formerly Medco) 1-800-987-5248</td>
<td>Wellmark 1-800-494-4478</td>
</tr>
<tr>
<td>For questions the insurance carrier doesn’t provide or to schedule an appointment to meet with an ISU Benefits Specialist.</td>
<td>OR</td>
<td>Dental 1-800-544-0718</td>
</tr>
<tr>
<td></td>
<td>Humana 1-866-396-8810</td>
<td>John Hancock 1-888-999-4563</td>
</tr>
<tr>
<td></td>
<td>Humana TTY/TDD users call 1-800-833-3301</td>
<td></td>
</tr>
</tbody>
</table>

VISIT ISU ON THE INTERNET AT: www.iastate.edu

Visit the ISU Benefits webpage at: http://www.hrs.iastate.edu/hrs/benefits

Medical: www.wellmark.com

Dental: www.deltadentialia.com

Express Scripts (formerly Medco): www.express-scripts.com

Humana mail order: http://www.rightsourcerx.com

SHIIP’s Guide to Long Term Care: http://www.shiip.state.ia.us/LongTermCare.aspx