Open Enrollment for 2007
UC-Sponsored Health & Welfare Programs

Presented by UCSF HR/Benefits
Open Enrollment Actions

• Change medical/dental plans

• Enroll/add eligible family members in medical/dental/vision

• Enroll (re-enroll each plan year) in Health Care Reimbursement Account (HCRA) or Dependent Care Reimbursement Account (DCRA)

• Legal plan not open

Submit your online Open Enrollment actions early!
Health Insurance Costs Continue to Rise Everywhere

- UC maintains its commitment to providing affordable access to quality health care
- UC continues to pay the majority of medical plan costs, plus all dental & vision
- UC continues salary-banded premiums to keep cost increases down for lower-paid
- No reductions in benefits

the Good News for UC Employees

Better than expected funding for 2006-07 salaries and benefits
Open Enrollment for 2007

Highlights
Open Enrollment 2007 Highlights

- Shorter OE period: November 1-21
- Salary Bands Changing
  - $43,000 and Below (highest UC contribution)
  - $43,001 -- $86,000
  - $86,001 -- $129,000
  - $129,001 and Over

Don’t forget to CONFIRM choices online
Open Enrollment for 2007
Highlights

MEDICAL PLANS
Medical Plans

• Plan Changes Minimal, Rates Increasing for Most Plans
  – Blue Cross
    • Bariatric surgery benefit through Centers of Expertise added for CA members
  – Health Net
    • Bariatric surgery network added
    • Coverage for digital hearing aids added
    • Co-pay for urgent care received from a contracted medical group facility reduced to $15
  – Kaiser CA
    • Coachella Valley now in service area
    • Osseointegrated hearing aids now covered at $0
Medical Plans

• Plan Changes Minimal, Rates Increasing for Most Plans (cont’d)
  – PacifiCare CA
    • Bariatric surgery limited to once per lifetime
  – Definity Health Plan
    • Premium Rates decrease
    • A plan option for UCSF and UCSB employees only
Tools

• Medical Plan Chooser
  – Compare health plans
    • http://uc.chooser2.pbgh.org/

• Health Scope
  – View ratings of medical groups and plans
    • http://www.healthscope.org/

• UC Medical Plan Surveys
  – View UC employees’ satisfaction ratings with their UC sponsored medical plans

• Definity Health
Open Enrollment for 2007 Highlights

NON-MEDICAL PLANS
Non-Medical Plans

- Legal Plan NOT Open
  - No plan changes; Premium rates going up
- VSP
  - No benefit changes

- Dental Plans
  - Both Delta & PMI remain fully UC-paid
  - Delta plan max increasing to $1700 if Delta PPO dentist used
  - PMI has no plan changes
Life Insurance

• Employee-paid rates staying the same
• Basic Life
  – Living Benefits Option added
• Supplemental Life
  – Not an Open Enrollment option
  – Living Benefits Option increased from 50% to 75%
  – Portability feature added
• Dependent Life
  – Not an Open Enrollment option
  – Portability feature added
Non-Medical Plans (cont’d)

• AD&D
  – No benefit or rate changes for 2007
  – Enroll at anytime using form UPAY850.

• Supplemental Disability
  – Not an Open Enrollment Option
  – No rate or benefit changes
  – Enrollment outside of ‘PIE’ requires plan approval of a ‘Statement of Health’
Open Enrollment for 2007
Highlights

FLEXIBLE SPENDING ACCOUNTS
HCRA & DCRA
What is a Flexible Spending Account?

- Flexible Spending Accounts (FSAs) allow employees to set aside money on a pretax basis for eligible expenses.

- FSAs provides tax savings to help offset the rising cost of health and day care expenses.

- UC’s plans: HCRA & DCRA

- Employees Must Budget Carefully
  - IRS imposed ‘Use it or lose it rule’!
How Does an FSA Work?

- Employee elects to participate by enrolling during Open Enrollment
  - Employee enters annual contribution

- Pre-tax dollars are taken out of paycheck each pay period
  - Annual contribution split into 12 monthly pre-tax deductions

- Employee/dependent incurs an eligible expense and requests reimbursement

- SHPS verifies that claims are IRS-eligible
## Example: Tax Savings

<table>
<thead>
<tr>
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<th>WITH FSA</th>
<th>W/OUT</th>
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<tbody>
<tr>
<td>Annual Pay</td>
<td>$35,000</td>
<td>$35,000</td>
</tr>
<tr>
<td>Pre-Tax FSA Contribution</td>
<td>($1,500)</td>
<td>$0</td>
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<tr>
<td>Taxable Income</td>
<td>$33,500</td>
<td>$35,000</td>
</tr>
<tr>
<td>Federal, State &amp; Soc. Security Taxes</td>
<td>($7,107)</td>
<td>($7,598)</td>
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<tr>
<td>Post-tax Dollars Spent on Eligible Expenses</td>
<td>$0</td>
<td>($1,500)</td>
</tr>
<tr>
<td>Spendable Income</td>
<td>$26,392</td>
<td>$25,902</td>
</tr>
</tbody>
</table>

**TAX SAVINGS WITH FSA** $490

Sample tax savings for a single taxpayer with no dependents. Actual savings will vary based on participant’s individual tax situation. Consult a tax professional for more information.
Contribution Calculator

• Interactive calculator available online at www.myshps.com
  – Enter salary and tax information
  – Enter Health Care FSA and/or Dependent Care FSA contribution amount

  – Enter estimated expenses
  – Calculate potential annual tax savings
Types of FSAs

• Health Care FSA - Health Care Reimbursement Account (HCRA)

  • For eligible healthcare expenses not covered by insurance

  • You have access to the total amount you elected for the plan year as soon as eligible expenses are incurred.

• Account maximum: $5,000 per account, $180 minimum
Examples of Eligible Healthcare Expenses

- Co-payments, co-insurance and deductibles (but not insurance premiums)
- Dental care not covered by your plan (crowns, endodontic services, implants, oral surgery, periodontal services, sealants)
- Vision care not covered by your plan (laser eye surgery)
- Over-the-counter medications
- Acupuncture or Chiropractic care
- Childbirth classes
- Hearing aids
- Home medical equipment (Wheelchairs, oxygen, respirators, etc.)
- Infertility treatments
Examples of INELIGIBLE Healthcare Expenses

- Cosmetic services (unless resulting from disease or illness)
- Expenses claimed on tax return
- Expenses reimbursed by other sources (insurance)
- Hair transplants
- Insurance premiums
- Vitamins
- Fees for exercise or health clubs (unless prescribed by a physician for a medical problem)
- Weight loss programs for general well-being
Types of FSAs

• Dependent Care FSA – Dependent Care Reimbursement Account (DCRA)
  • For eligible dependent care expenses that allow the employee (or the employee and their spouse) to work or look for work, or that allow the spouse to attend school full time.
  • DepCare maximum: $5,000 per household, $180 minimum
  • Funds are available as contributions are made
Examples of Eligible Dependent Care Expenses

• Care for dependent children **under** 13 years old OR a person of any age who can be claimed as a dependent on federal income tax return and who is mentally or physically incapable of self care
• Child care at a daycare center, day camp, nursery school or by a private sitter

• Late pick-up fees
• Before and after-school care (not tuition)
• Housekeeper caring for an eligible dependent

• Au Pair placement fees and weekly stipend
Examples of INELIGIBLE Dependent Care Expenses

- Education or tuition fees
- Late payment fees
- Overnight camps
- Agency fees for finding a care provider

- Sports lessons, field trips, clothing
- Transportation to/from the care provider
“IRS Use It or Lose It” Rule

- Employees must forfeit money unspent at the end of the plan year
  - IRS Rule (Section 125 of IRS Code)
  - Funds cannot be rolled over to the next plan year and cannot be paid out without eligible expenses

- Plan carefully when making elections

- Employees must file claims by June 15\textsuperscript{th} following the end of the plan year
More time to spend FSA!

- Expenses incurred through March 15, 2008 can be applied against your 2007 balance.
- 2.5 month “grace period” helps minimize “use it or lose it” policy

New rule with grace period

Expenses must be incurred during the plan year + grace period
What is the deadline for claims?

- With “grace period”, the deadline for submitting claims for reimbursement is extended to **JUNE 15**.

  Jan. 1 2007  \[\text{Expenses must be incurred during the plan year + grace period}\]
  Dec. 31 2007
  Mar. 15 2008
  Jun. 15 2008

  **3 month run-out period**
NEW for 2007: Healthcare FSA Spending Account Card

- Easy access to account funds:
  - eliminates the hassle of filing claim reimbursement forms
- Use only for eligible healthcare expenses
  - co-pays, co-insurance, over-the-counter medications
- Works like a debit card, only the funds are deducted from your FSA
- Updates your account balance and transaction history
HCRA Spending Card

How to Use

• Every employee enrolled in HCRA will receive a VISA spending account card

• You must “activate” card prior to use

• Use the card to pay for eligible expenses

• Cost of purchase will be deducted from your HCRA account
HCRA Spending Card

Where to Use

- Physicians’ offices
- Hospitals
- Vision centers
- Dentists
- Stand-alone pharmacies like Walgreens, Longs, Rite-Aid, etc.
HCRA Spending Card
Where NOT to Use

- Grocery Stores (e.g., Safeway and Albertson’s) and Discount Stores (e.g., Costco, Target), are not IRS-approved health care merchants and cannot accept the spending account card.

  - The card cannot be used at pharmacy counters inside these stores or for over-the-counter purchases.

- In cases where credit cards are not accepted you can pay out of pocket and file a claim form with SHPS for reimbursement.
NEW for 2007: Healthcare FSA Spending Account Card

- **Keep receipts** – IRS mandates that every transaction be “substantiated.”

- Card transactions that are exact matches to UC plan co-pays will “auto-substantiate” and no receipt will be required.

- SHPS will request receipts from employees if necessary
NEW for 2007:
Healthcare FSA Spending Account Card

Auto-Substantiated Transactions Include:

- Exact match to co-pays for all plans
- Exact match to co-insurance amounts for dental and vision claims
- Eligible purchases made at Walgreens, VisionDirect, and Drugstore.com
- Recurring monthly payments (e.g. to orthodontist) will only require a receipt for first payment
NEW for 2007: Healthcare FSA Spending Account Card

Transactions that cannot be Auto-Substantiated:

• Employee will be asked to submit the receipt
• Employees without receipts can submit additional claims or return the unsubstantiated amount to their FSA by sending SHPS a check
• Ongoing unsubstantiated transactions may result in deactivation of card – paper claims required.
• Unsubstantiated transactions at end of claim filing deadline may require additional follow-up
Reimbursement Forms Still Work – Spending Card is not Required

- Available on Line at [www.myshps.com](http://www.myshps.com), or
- By telephone at 1-877-270-3915
- Claims can be faxed to 1-866-643-2219, or
- Mailed to:
  SHPS
  PO Box 34700
  Louisville, KY 40232
On-Line Services

• Track Account balances at [www.myshps.com](http://www.myshps.com)
  – Participant will need to log on
  – Select “Reimbursement Accounts” to view account information

• Sign up for Electronic Funds Transfer (EFT) to receive quicker reimbursement

• Include email address on claim forms and receive an electronic notification that claims have been received

• Supply email address on line and receive electronic account statements
Open Enrollment for 2007

Highlights

COMMUNICATIONS
Employee Mailings

• Six-page mailer to active employees
  – Home addresses
  – Week of October 24th (BELI 1, 2, & 3)

• Core employees (BELI 4) – separate mailing

• UCSF HR/Benefits Announcement
  – Campus mail addresses
  – Week of October 30th
  – Schedule of local OE Presentations, kiosk locations

• For detailed information and/or to submit OE actions:
  – go to At Your Service
  – http://atyourservice.ucop.edu

• Follow online prompts until confirmation is obtained.
  – If you do not receive a confirmation number—your action has not been submitted.
Benefits

Benefits & Financial Planning administers the employee retirement and health and welfare programs for faculty and staff paid through the San Francisco campus, and conveys UCSF benefits interests and priorities to the Office of the President.

Contact: 3333 California Street, Suite 330, San Francisco, CA 94118, Phone: 415/476-1400 Fax: 415/475-2328. Staff Directory | Contact Form

Categories: Contacts | Insurance | Online Tools and Resources | Other Programs | Retirement | Workshops and Presentations

Highlights

- **Open Enrollment for 2007—Begins November 1—Ends November 21, 2006**
  Keep in mind that this year’s Open Enrollment (OE) period is shorter than in years past. Do your “homework” and submit your OE actions early. Here you will find links to important, pertinent information such as our local OE Announcement which includes (among other things) the schedule for our local OE Presentations. There is a link also to the At Your Service website where you will find plenty of detailed information about what’s available; what’s new; and how to go about submitting your OE Action. Upon submitting your OE Action, be sure to follow the online prompts to obtain your confirmation—without that confirmation there hasn’t been any action submitted.

- **At Your Service Website**
  Log in at “Sign in to My Accounts” and access At Your Service Online to view/update personal account information regarding UCRP/CAP, estimates, health and welfare enrollments, beneficiary Designations, and more.
  Log in at FITSCo to access your UC Retirement Savings Programs and view your personal accounts and update personal information, Beneficiary Designations, retirement planning tools, and more (click on the FITSCo button).
Open Enrollment for 2007--Begins November 1--Ends November 21, 2006

Keep in mind that this year's Open Enrollment (OE) period is shorter than in years past. Do your "homework" and submit your OE actions early. Here you will find links to important, pertinent information such as our local OE Announcement which includes (among other things) the schedule for our local OE Presentations. There is a link also to the At Your Service website where you will find plenty of detailed information about what's available; what's new; and how to go about submitting your OE Action. Upon submitting your OE Action, be sure to follow the online prompts to obtain your confirmation--without that confirmation there hasn't been any action submitted.

- **Local Open Enrollment for 2007 Announcement** (UCSF HR/Benefits)
  - Highlights for Open Enrollment for 2007
  - Schedule for local UCSF HR/Benefits OE Presentations
  - Non-Open Enrollment: Other Things to Consider for 2007
  - Where to Find a Computer Kiosk

- **Learn More About the Definity Health Plan**

- **Group Rates for 2007** (UCSF HR/Benefits)
  - Medical Plan Premium Costs
  - Dental, Optical, and Legal Premium Costs
  - Supplemental Disability and AD&D Premium Costs
  - Supplemental Life and Dependent Life Premium Costs

- **Announcing Open Enrollment for 2007** (At Your Service)
  - UC Health and Welfare Benefits Plans in 2007
  - Actions You Can Take During Open Enrollment
  - Online Information and Background
  - NEW! HCRA Spending Account Card
"I have an employee question about..."

- Life/Work Changes
- Health & Insurance
- Retirement & Savings
- Personnel Policies and Programs
- Systemwide Training and Development

Current News

At Your Service Online to Close for Maintenance
October 23, 2006
At Your Service Online will be down from 8 a.m. to 12 p.m., Sunday, October 22, and from 6 p.m. to 10 p.m., Monday, October 23, for planned maintenance. Users who want to check their personal information should plan to visit the site at other times.

Announcing Open Enrollment 2007
October 17, 2006
Employees

Open Enrollment is from 8:00 am (PT) Wednesday, November 1, through midnight Tuesday, November 21.

Use this website to get information, including:

- Plan Rates for 2007: Includes medical plan premiums.
- Plan Changes & Other Important Information: See all plan changes and links to carrier websites, evidence-of-coverage booklets and other information.
- How to Enroll Online: Step-by-step instructions for making plan changes.
- Your Current Enrollments: Where to find information about the plans in which you are currently enrolled.
- If you live outside California: Information about medical plans for employees who live outside California.
- Eligibility
- Terms and Conditions
- Special Notice for Livermore employees

Note to employees eligible for Core Medical only -- You are not eligible to change to another medical plan or to enroll in the UC dental or vision plans.

Use the Planning Tools on the right to help you make your choices.

If you’re ready to make your changes, log on using the link below. The log on link appears on every page of the website.