LEGISLATIVE WATCH

Wrap-up of Legislative Effects on the UT SELECT Medical Plan

The 82nd Regular Session of the Texas Legislature ended on May 30th with a Special Session opening on May 31st to allow additional time for budgetary issues to be resolved. Throughout both sessions, the UT System Office of Employee Benefits (OEB) has been carefully analyzing proposed legislative changes and watching the progress of various measures to determine what impact finalized changes will have on the UT Benefits program.

At the start of the regular legislative session in January, significant changes to UT SELECT Medical premium rates and/or other out-of-pocket costs seemed likely based on the economic climate and other factors. However, despite a reduction in the level of state funding available, OEB is pleased to announce that changes to your out-of-pocket premium costs have been kept very low because of recent strong plan performance. Additionally, there are no increases planned for deductibles, copayments, or out-of-pocket maximums applicable to your UT SELECT Medical and Prescription coverage for the 2011 – 2012 plan year.

Within this newsletter you can find more specific details regarding the UT SELECT Medical plan design and premium levels for the 2011 – 2012 plan year, which have been based on expected funding and other requirements. Every effort has been made to keep your out-of-pocket costs as low as possible while providing your family with robust protection and balancing the varying coverage needs of all eligible employees and retirees at each UT institution, and their eligible family members.

It is important for both employees and retirees to continue to keep your contact information (particularly email addresses) up to date throughout the plan year, especially during the upcoming Annual Enrollment period. If you know of other employees or retirees who are not receiving this newsletter electronically, please encourage them to contact the HR or Benefits office at their institution to update their email address.

ANNUAL ENROLLMENT UPDATE

ANNUAL ENROLLMENT TIMELINE UPDATE

Annual Enrollment Period Set: July 15 – July 31, 2011

The July 2011 “A Matter of Health” newsletter is a special Annual Enrollment edition providing details on the benefits enrollment process and the uniform benefits plan for U.T. employees and their qualified dependents.

Annual Enrollment for benefits for the 2011-2012 plan year begins on Friday, July 15, 2011, and ends on Sunday, July 31, 2011. During this period, you can:

- Make changes to your benefits and enroll in UT FLEX,
Special ANNUAL ENROLLMENT Edition for UT System Employees

- Request new coverage for eligible dependents, and
- Remove ineligible dependents from the program.

Make Informed Benefits Choices: Annual Enrollment Website Available July 11, 2011
Details about Annual Enrollment will be available on the OEB website beginning July 11, 2011. Use the website to learn how healthcare reform will affect your benefits, view brief and informative presentations by the insurance vendors, and keep up with the latest reminders for Annual Enrollment which occurs between July 15 and July 31, 2011.

Your UT Benefits Enrollment Options Letter: Delivery by July 15, 2011
By July 15, 2011, employees will receive a letter titled “Your UT Benefits Enrollment Options” via email or hard copy. The letter lists your current coverage as well as the options that are available for you to elect that will become effective September 1, 2011.

Make your Coverage Elections with My UT Benefits: July 15 – July 31, 2011
Use the secure online My UT Benefits website to make your coverage elections, change your benefits, or to enroll in the UT FLEX Health Care Reimbursement Account or Dependent Day Care Reimbursement Account.

You can connect to My UT Benefits with your internet browser by following the link in your Enrollment Options Letter and by using the PIN number listed in the letter. You will not be able to make changes to your coverages without this PIN.

After you make your insurance coverage election or change, be sure to carefully review your Confirmation Letter the next day to ensure your election was correct.

Complete Evidence of Insurability (if required): Deadline August 15, 2011
For coverage beginning September 1, 2011, Evidence of Insurability (EOI) is no longer required for enrollment in the UT SELECT Medical plan. During Annual Enrollment, EOI will be required for enrollment in Disability (LTD and STD) insurance and for adding or increasing Voluntary Group Term Life coverage. Additionally, those enrolling for Long Term Care insurance will need to complete EOI directly through CNA.

EOI applications must be postmarked or completed online by August 15, 2011.

UT SELECT Medical Premium Rates and Plan Design

The UT SELECT Medical plan administered by Blue Cross and Blue Shield of Texas is self-funded by the UT System. As a self-funded plan, all claims are paid by UT System through funds allocated by the State Legislature, UT System Institutions, and member out-of-pocket premium costs (for dependent coverage and for part-time employees, the portion of employee-only coverage).
Based upon available funding and positive plan performance during the current benefit year (2010-2011), only slight increases in premium rates are necessary ranging from $9 to $19 per month for dependent levels of coverage (for full-time employees).

In addition, due to lower than expected trends in the UT SELECT claims, the only benefit plan design changes to UT SELECT are enhancements resulting from the Affordable Care Act (healthcare reform).

The following chart reflects the cost of Basic Coverage*. Monthly Premium Cost = Premium Sharing from the State of Texas and UT, plus Your Monthly Out-of-Pocket Cost. The final column indicates the total out-of-pocket increase in your monthly premium effective September 1, 2011.

**UT SELECT Medical and other Basic Coverage*: Full Time Employees**

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*Basic Coverage includes UT SELECT (medical and prescription drug coverage), plus the cost of employee $20,000 Basic Life and employee $20,000 Basic Accidental Death and Dismemberment.*
The following chart reflects the cost of Basic Coverage* for Part-time Employees (appointed 20 hours or more, but less than 40 hours). Monthly Premium Cost = Premium Sharing from the State of Texas and UT, plus Your Monthly Out-of-Pocket Cost. The final column indicates the total out-of-pocket increase in your monthly premium effective September 1, 2011.

**UT SELECT Medical and other Basic Coverage*: Part Time Employees**

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*Basic Coverage includes UT SELECT (medical and prescription drug coverage), plus the cost of employee $20,000 Basic Life and employee $20,000 Basic Accidental Death and Dismemberment.
No Changes Planned for Life, AD&D, Disability, Dental, Vision, or Long Term Care Coverage

The UT System Office of Employee Benefits (OEB) is pleased that all of the available optional plans will continue to offer the same complete package of benefits during the upcoming plan year, providing robust protection and financial value for you and your family, with no changes to any premium rates or out-of-pocket costs.

The optional plans available to employees through your UT Benefits program include: Voluntary Group Term Life & AD&D insurance provided by Dearborn National, the self-funded UT SELECT Dental plan administered by Delta Dental, the Dental HMO provided by Assurant, Vision insurance provided by Superior Vision, Group Long-Term Care insurance provided by CNA, and both Short-Term Disability (STD) and Long-Term Disability (LTD) insurance provided by Dearborn National.

For information about Evidence of Insurability (EOI) requirements applicable to some types of optional coverage, please review the EOI section of the related article in this newsletter entitled “Health Care Reform and Benefits”. Detailed information about each of the optional benefit plans as well as related Evidence of Insurability requirements can be reviewed on the OEB website beginning the week of January 11, 2011, at www.utsystem.edu/benefits.

Focus on Eligibility

Individuals are prohibited from receiving state premium sharing for coverage from another agency in addition to UT System. UT System will be conducting dual coverage audits which will identify individuals (including dependents, employees and retired employees) who are enrolled in UT SELECT Medical as well as being enrolled in medical coverage provided by Texas A&M University or Employees Retirement System of Texas (ERS). Individuals identified as receiving more than one source of state premium sharing for insurance coverage will be given the opportunity to choose which plan they wish to elect a premium contribution. Individuals who wish to remain enrolled in both plans will be required to pay the full cost of one of the coverages. If you or any of your dependents are enrolled in more than one medical plan offered by UT, A&M, or ERS please use this Annual Enrollment to eliminate dual coverage if possible.

During Plan Year 2011-2012, UT System will also be working with institution Benefits Offices to review the process followed to verify the eligibility of dependents that are added to insurance coverage. When a dependent is added to insurance coverage, proper documentation is required to be provided to your institution Benefits Office to verify dependent eligibility (i.e. birth certificate, marriage license, etc.).

For UT SELECT Medical ONLY, your eligible dependents are:

- Your spouse as defined by Texas state law;
- Your child(ren) under age 26, including stepchildren and adopted children;
- Your unmarried grandchild under age 25, if the child qualifies and is claimed as your dependent for federal tax purposes;
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- Certain children over age 26, who are determined by OEB to be medically incapacitated and are unable to provide their own support; and
- Children for whom you are the legal guardian or for whom you are subject to a medical support order.

For all Voluntary UT Benefits (other than UT SELECT Medical) your eligible dependents are:

- Your spouse as defined by Texas state law
- Your unmarried child(ren) under age 25, including stepchildren and adopted children;
- Your unmarried grandchild under age 25, if the child qualifies and is claimed as your dependent for federal tax purposes;
- Certain children over age 25, who are determined by OEB to be medically incapacitated and are unable to provide their own support; and
- Children for whom you are the legal guardian or for whom you are subject to a medical support order.

BE A WISE HEALTHCARE CONSUMER

Like to save money? Enroll in UT FLEX!

Flexible spending accounts such as the UT FLEX* Health Care Reimbursement Account and the UT FLEX Dependent Day Care Reimbursement Account provide a tax-advantaged way to pay for certain out-of-pocket health care expenses and work-related day care expenses. Each account allows you to pay your expenses with “pre-tax” dollars, which means you get a tax deduction for these expenses before you ever file your tax return. You don’t pay federal income or Social Security taxes on this money.

UT FLEX Health Care Reimbursement Account (HCRA): As a benefits-eligible employee, you can participate in the UT FLEX HCRA and use your pre-tax dollars to pay for eligible health care expenses including:

- Deductibles, copayments, coinsurance
- Prescription drugs, insulin and syringes
- Dental exams, x-rays, fillings, crowns, orthodontia
- Eye exams, prescription eyeglasses and prescription sunglasses
- Contact lenses and cleaning solutions
- Hearing aids

Please note, with passage of the Affordable Care Act (Healthcare Reform), the upcoming 2011-2012 plan year will be your last opportunity to make a $5,000 UT FLEX HCRA election. Beginning September 1, 2012, the maximum UT FLEX HCRA election will be reduced to $2,500, per Federal guidelines.

Need Help Determining How Much to Elect?
Before you make your UT FLEX election(s), estimate your annual expenses not covered by insurance such as deductibles, copays, coinsurance, prescription drugs and other medical expenses. Go to UTFLEX.com and click on the Savings Calculator tab to help you itemize your health and dependent day
care expenses. Review the itemized form and calculate your estimated increase in annual spendable income.

**PayFlex Debit Card**
Selecting the PayFlex Debit Card ($9 annual fee) with your UT FLEX HCRA election makes using UT FLEX easy and improves your cash flow. By using the PayFlex Debit Card, you do not have to complete a claim form, and purchases are automatically deducted from your available UT FLEX HCRA balance. Use the debit card to pay out-of-pocket costs such as deductibles, copayments and coinsurance.

**UT FLEX Dependent Day Care Reimbursement Account (DCRA):** If you have work-related dependent day care expenses for your children under age 13, pay for those expenses (up to $5,000 per calendar year), file an Express Claim online (or by fax or mail), and be reimbursed with tax-free dollars from your UT FLEX DCRA flexible spending account.

Eligible dependent day care expenses include:

- Work-related expenses incurred so that you and, if married, your spouse can work, or to enable you or your spouse to attend school fulltime;
- Before/after school care; and
- Preschool/nursery school for pre-kindergarten.

**Making your UT FLEX Election**
Don’t forget—to participate in UT FLEX, you must make your election through the My UT Benefits online enrollment system during this year’s Annual Enrollment period (even if you are a current UT FLEX participant).

*There is an annual administrative fee of $12 per UT FLEX account (HCRA and DCRA). The administrative fee is the first deduction from your UT FLEX account(s) and is prorated for mid-year elections.
Retirement Health

Annual Enrollment for benefits for the 2011-2012 plan year begins July 15 and lasts through July 31, 2011. While reviewing insurance coverage for yourself and your family, Annual Enrollment is also a great time to review coverage for your financial health.

People are living longer, healthier lives and that means people are going to need healthier, more robust retirement income sources. The University of Texas System provides a number of vehicles that you can use to insure those income sources are available to you when you needed the most.

You may enroll or increase your contribution in the UTSaver TSA or UTSaver DCP at any time, and annual enrollment is a great time to think about your total benefit needs. Contributions can be as little as $15 per month or as much as $16,500.00 a year. In some cases, you may even be able to contribute more. All contributions are conveniently deducted from your paycheck before taxes, which means your taxable income decreases. If you prefer to make your contributions after taxes have been deducted, that option is there for you too.

To learn more about your retirement savings opportunities, please visit our website at www.utretirement.utsystem.edu today! Take the opportunity to ensure that your financial health is just as robust as your physical health!
Taking Your Health to the Next Level

The path to wellness begins with truly understanding your own health and knowing what you can do to improve it. Keep track of your health status and progress by completing the HealthQuotient (HQ) every year.

A Few More Good Reasons to Complete the HQ:

1. You’ll get a simple report outlining your health risks.
2. You’ll get a practical plan for taking action.
3. You’ll be able to see how your results compare to others like you.
4. Based on your results, you may qualify for (WebMD) health coaching.

Register or Log in to complete your HQ at:
www.webmdhealth.com/ut

Thinking About Quitting?

Smoking can have many harmful effects on your health: heart disease, lung cancer, emphysema, and more. Despite this knowledge, nicotine’s highly addictive nature makes quitting a tough challenge. Learn about great resources and programs that are available to you and your dependents.

Expecting a Baby?

Enroll in Special Beginnings to help you better understand and manage your pregnancy, and receive a $50 reward card! Enroll during your first trimester: 1(800) 462-3275

Gym Membership Discount

The Gym Membership Discount program is available to all UT SELECT Members.

1. Log into http://bcbstx.com/ut
2. On the right side navigation bar, under "Quick Links", click on "Fitness Program"
3. Once re-directed to the site, search for participating locations near you by entering your zip code and desired search distance below. Take the next step to becoming the fitter, healthier person you want to be by enrolling in the Fitness Program today.

Employee Assistance Program
The UT Employee Assistance Program (EAP), a benefit of your University of Texas employment, which provides confidential, professional assistance to help you resolve problems that affect your personal life or job performance. It is designed to allow you to seek help when you need it, at no charge. The EAP can help with stress, depression, alcohol or drug problems, financial issues, interpersonal problems and much more. It also offers other services such as seminars, training and resource referrals. Find your local Institution’s EAP Office.