Benefits for 2011

Information Sessions
Fall 2010

9/21/2010
Today’s Discussion

- Open Enrollment
- Health Care Reform
- Changes to Benefits for 2011
- Task Force on Fringe Benefits
Benefits Open Enrollment

• October 25 – November 12
• Benefit Expos
  – CUMC, Morningside, Lamont
  – First two weeks of Benefits Open Enrollment
  – New Health Promotion: “Know Your Numbers”
    • Blood pressure, HDL/LDL, triglycerides, glucose, etc.

• Benefit Presentations
  – CUMC, Morningside, Lamont
  – Large departments/schools
Health Care Reform - 2011

• Dependent Coverage to Age 26
  – Children may have coverage up until the end of the month in which they turn age 26
• Over the Counter Drugs & Supplies
  – No longer eligible expenses under Health Care Flexible Spending Account (FSA) unless prescribed by a physician
• No lifetime and annual dollar limits for “essential benefits” but these are yet to be defined
• Reporting of Healthcare Plan Value on your W-2 has been deferred to 2012
What’s New for 2011

• Proof of dependent eligibility required
  – Adding dependents
    • During Open Enrollment
    • Life Event (marriage, new born, adoption)

• Fax/scan proper documents to Benefits Service Center for approval
# Overview of Medical Benefits Changes for 2011

<table>
<thead>
<tr>
<th></th>
<th>Aetna, CIGNA and UHC POS 90 In-Network</th>
<th>Aetna, CIGNA and UHC POS 90 Out-of-Network</th>
<th>CIGNA and UHC POS 100 In-Network</th>
<th>CIGNA and UHC POS 100 Out-of-Network</th>
<th>CIGNA Indemnity (no network)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Office Visit Co-pay</strong></td>
<td>$20</td>
<td>N/A</td>
<td>$20</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td><strong>Deductible</strong>*</td>
<td>$150/$300</td>
<td>$575/$1,725</td>
<td>None</td>
<td>$575/$1,725</td>
<td>$3,500/$7,000</td>
</tr>
<tr>
<td><strong>Coinsurance</strong></td>
<td>90% after deductible</td>
<td>70% after deductible</td>
<td>None</td>
<td>70% after deductible</td>
<td>100% after deductible</td>
</tr>
<tr>
<td><strong>Out of Pocket Maximum</strong></td>
<td>$1,000/$2,000</td>
<td>$3,500/$7,000</td>
<td>N/A</td>
<td>$3,500/$7,000</td>
<td>N/A</td>
</tr>
<tr>
<td><strong>Emergency Room Co-pay</strong></td>
<td>$100</td>
<td>$100</td>
<td>$100</td>
<td>$100</td>
<td>$100</td>
</tr>
<tr>
<td><strong>Hospital Co-pay</strong></td>
<td>N/A</td>
<td>N/A</td>
<td>$250</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td><strong>Preventive Care Office Visit</strong></td>
<td>100% covered</td>
<td>Not Covered</td>
<td>100% covered</td>
<td>Not Covered</td>
<td>Not Covered</td>
</tr>
</tbody>
</table>

*amounts provided are for individual/family

** Out-of-Network and Indemnity coverage apply Reasonable and Customary limits where available.
## Prescription Drug Benefits

<table>
<thead>
<tr>
<th></th>
<th>2010</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Retail (30 day supply)</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Generic</td>
<td>$10 Copay</td>
<td>$10 Copay</td>
</tr>
<tr>
<td>• Brand</td>
<td>$20 Copay</td>
<td>$25 Copay Single-Source Brand (product not available in generic)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>$45 Copay Multi-Source Brand* (choice between generic and brand available)</td>
</tr>
<tr>
<td><strong>Mail Order (90 day supply)</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Generic</td>
<td>$15 Copay</td>
<td>$15 Copay</td>
</tr>
<tr>
<td>• Brand</td>
<td>$40 Copay</td>
<td>$50 Copay Single Source Brand</td>
</tr>
<tr>
<td></td>
<td></td>
<td>$90 Copay Multi-Source Brand*</td>
</tr>
</tbody>
</table>

*If doctor determines generic cannot be used by patient, the brand will be covered at the “brand level” copay of $25
Health Care FSA

• Increase health care FSA limit from $5,000 to $10,000 annually.
  – Applies to Officers only
  – Offsets increases to out-of-network costs
  – Use it or lose it – plan carefully
Contribution Increases

- CU continues to subsidize 78% of total cost for 2011 – on average.

<table>
<thead>
<tr>
<th>POS Plan</th>
<th>2010 Monthly Contribution for Family coverage in $80 - $175k</th>
<th>% increase in salary tiers 1-4</th>
<th>% increase highest (5th) salary tier</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aetna 90</td>
<td>$226</td>
<td>10%</td>
<td>10%</td>
</tr>
<tr>
<td>CIGNA 90</td>
<td>$376</td>
<td>17%</td>
<td>17%</td>
</tr>
<tr>
<td>UHC 90</td>
<td>$540</td>
<td>10%</td>
<td>10%</td>
</tr>
<tr>
<td>CIGNA 100</td>
<td>$480</td>
<td>20%</td>
<td>26%</td>
</tr>
<tr>
<td>UHC 100</td>
<td>$684</td>
<td>13%</td>
<td>19%</td>
</tr>
</tbody>
</table>
Columbia’s Cost Drivers

High Cost Claimants and Pricing

Increased Number of High Cost Claimants

![Bar chart showing the increase in high cost claimants from May 07 to Apr 10, with growth rates of 32.4% and 30.6% respectively.]

*High Cost Claimants are defined as patients with medical and Rx claims that exceed $50k in a 12 month period.
Cancer is the top condition of High Cost Claimants

PPO Claim Costs 2009 by Risk Category ($M)

- Low Risk: $16M
- Med Risk: $56M
- High Risk: $18M
- HCC: $25M

High Cost Claimant
Top 3 Episode Summary Groups, 2009

- Cancer: $6.2M
- Osteoarthritis: $1.7M
- Coronary/Hypertension: $1.5M

Total PPO Cost: $115M
What can we do?

• Columbia has formed a task force to look at healthcare design and cost

• Employees and their family members can
  – Participate in care management programs
  – Use in-network whenever possible
  – Use the flexible spending account
Questions?