UA CHOICE

Benefit Change Preview: Open Enrollment is April 15 – May 14

Open enrollment is coming next month: your annual opportunity to review your benefits and make changes for the coming plan year (July 1, 2010-June 30, 2011). This year there are also some benefit changes and rate increases starting on July 1 that you will need to know about, even if you don't make any changes during open enrollment.

Why change? Necessity. We need to find ways to keep our health care plans affordable for you and for the University, while continuing to provide comprehensive healthcare benefits. We've carefully targeted the changes to areas where our current costs are higher than average *and* there's a solution that can lower the cost without lowering the quality of care – solutions like encouraging use of generic drugs. Even so, bi-weekly contribution rates are going up, as our claims costs continue to rise.

What's Changing

Beginning on July 1, bi-weekly employee contribution rates will be going up and there will also be a few benefit changes, especially for prescription benefits. Here are the highlights:

Prescription Copays Increase (Except for Generics)
To encourage use of less expensive generic drugs, copays for generic drugs will stay the same, but copays for non-generic drugs will increase to reflect their higher cost:

Prescription copays	Current (through 6/30)	New (starting 7/1)
Network pharmacy (30 day supply)	$5 copay for generic $20 copay for brand $35 copay for non-preferred brand	$5 copay for generic (no change) **$25** copay for brand **$40** copay for non-preferred brand
Home delivery (100 day supply) through CVS Caremark	$10 copay for generic $40 copay for brand $70 copay for non-preferred brand	$10 copay for generic (no change) **$50** copay for brand **$80** copay for non-preferred brand

If you get prescriptions at a non-network retail pharmacy, you will still pay the full retail price at the time of purchase. Then you submit a claim for reimbursement. You'll be reimbursed for covered prescriptions at the negotiated (network pharmacy) price, minus the applicable copay (so in most cases, you will pay more than the copay).

New Rules for Brand and Non-Preferred Drug Copays
Starting July 1, 2010, if you get a brand or non-preferred brand name drug when there is a generic drug available, you will pay the difference in cost between generic and brand name drugs ***in addition to*** the applicable higher copay (even if your doctor writes "dispense as written" on the prescription).

In a small number of cases, there can be a valid medical reason to use a brand or non-preferred drug instead of a generic. If you are in this situation, you and your doctor can make a medical necessity appeal to CVS Caremark (our pharmacy benefit manager) for a 12-month exception. If the appeal is approved, you will still pay the applicable copay, but will avoid the difference in cost penalty for up to 12 months. (You'll need to submit another appeal once every year in order to continue this arrangement.)

Out-of-Pocket Maximum for Prescriptions Will Increase
The annual out-of-pocket maximum for prescription drugs will increase from $800 per person to $1,000 per person.

Other Prescription Changes
We're also introducing two new pharmacy programs from CVS Caremark beginning July 1 that will affect some but not all participants:

- Pharmacy step therapy – this program will encourage participants to try a generic or preferred brand-name drug ***first***, before trying a more expensive non-preferred drug. It only affects people who take prescriptions for certain conditions, and there will be exceptions in cases of medical necessity.

- New specialty guideline management program – this program is designed to assist participants, dependents and their medical providers with issues that arise from treatment, and focuses on quality of life. It only impacts a few participants; you'll be notified if you are eligible.

Watch for more information on the prescription changes

You'll receive more information about prescription benefits from CVS Caremark and on the University's open enrollment web site at www.alaska.edu/benefits. Be sure to read this information carefully and keep it on hand for future reference.

Chiropractic Care and Physical/Massage Therapy Each Limited to 26 Sessions
The number of office visits for chiropractic care will be limited to 26 per person per plan year beginning on July 1. Likewise, the combined number of office visits for physical therapy and massage therapy will be limited to 26 per person per plan year. You may request an exception for medical necessity if you need additional treatments beyond these limits.

Deluxe Plan Out-of-Pocket Maximums Increase
The annual out-of-pocket maximum for the Deluxe Plan will increase to $500 per person, up to a maximum of $1,000 per family.

New 30-Day Eligibility Waiting Period for New Hires
Starting July 1, there will be a 30-day waiting period for new hires before they become eligible for *UA Choice* benefits. This will also apply to re-hired employees who have had over a one-year break in coverage.

Check Your Dependents

Open enrollment is a good time to review not only your benefit elections but the family members you are covering. If you are covering dependents, make sure they meet the eligibility criteria for the plan. Go to www.alaska.edu/benefits and click on "The Handbook" for eligibility details.

For More Information

Watch for more information from CVS Caremark and from the University between now and April 15, when open enrollment begins. If you have questions, contact your local Human Resources office or Statewide Human Resources.

No Need to Wait Until July to Start Using Generics!

Five Facts About Generic Drugs
Generic drugs are cheaper than brand name drugs, but are they as safe and effective? The fact is, the Food and Drug Administration (FDA) regulates these drugs closely to ensure that:

1. **Generics work just as quickly in the body as brand name drugs.** Generic drugs deliver the same amount of active ingredients in the same time frame as a brand name equivalent.
2. **Generics are just as powerful as brand name drugs.** Generic drugs have the same quality and strength as their brand name counterparts.
3. **Generics are just as safe as brand name drugs.** Since generic drugs contain the same active ingredients as the brand name counterpart, they are equally as safe and effective.
4. **Generics have no additional side effects.** There is no proven difference in side effects between generic and brand name drugs.
5. **Generics cost less.** Generic drugs cost less because manufacturers of generics don't have to spend the hundreds of millions of dollars it takes to discover the new, original drug. The savings are passed on to you.