



Key Benefits Changes for 2010

As we prepare for a new calendar year, it's time to look ahead and determine your coverage needs for 2010. **This year's open enrollment will be Wednesday, October 14 – Friday, October 30, 2009.**

Important changes for 2010 are outlined below. Because open enrollment is your only opportunity to make changes each year to your benefits, except for life event changes, it is always a good idea to re-evaluate your coverage needs.

Changes this year require you to make an active election during open enrollment, so please read this information carefully. What has not changed is that SMU continues to provide a competitive benefits program that enables us to recruit and retain exceptional faculty and staff. At a time when many organizations are experiencing financial pressures, SMU still provides an array of choices, both in terms of the coverage provided and what you pay.

Go Online to Make Changes for 2010...

For this year's open enrollment, you must take action for the following:

- You want to make changes to your current coverage.
- You want to add or drop dependents from coverage.
- You are currently enrolled in the Aetna HMO, which will not be offered for 2010.
- You are currently enrolled for Employee + One medical coverage.
- To adjust your premium payments.
- You want to participate in one or both of the Flexible Spending Accounts in 2010.
- You want to make a contribution to the Health Savings Account (HSA) in 2010.

2010 PLAN PREMIUMS

Medical

The national debate on health care reform has made us all more aware of the spiraling costs of health care. SMU's primary health benefit plan is self-funded (not insured by an insurance carrier) so the bulk of increasing costs are borne by SMU. SMU pays \$78 of each \$100 in care provided to faculty and staff. In addition to medical and pharmaceutical cost inflation, catastrophic claims and legislative mandates have further added to the significant costs shared by you and SMU.

As a result, premium costs will rise this year. However, you can avoid premium increases by selecting a higher deductible level or offset out-of-pocket expenses by participating in the Healthcare Savings Account (HSA) or the Flexible Spending Account (FSA). Based on changes described below, your premium could actually decrease if you are covering yourself and a child in 2010. Premiums for the \$2,500 deductible with an HSA option are not changing.

Our plans are designed so that making wise health care decisions, such as using generics to fill prescriptions, participating in wellness initiatives and only using the emergency room in true emergencies, will save money for you and the University. To view the new medical premiums for 2010, click here for the 2010 *Benefits Guide*

<http://smu.edu/hr/benefits/2010BenefitsHighlights.asp>

Premium Structure Changes

The Employee+One category has been replaced with two new options: 1) Employee + Spouse and 2) Employee + Child(ren). This change will ensure that those who cover dependents pay premium amounts that reflect the claims experience of the type of dependent(s) covered. For instance, under this plan if you choose to cover yourself and a child, expenses are typically less than if you cover yourself and a spouse. This is due to the differences in the types of services received and their associated costs.

If you are currently enrolled in Employee + One, to retain coverage you must actively elect either Employee + Child(ren) or Employee + Spouse coverage during open enrollment for 2010.

Dental and Vision

For the third consecutive year, premiums remain the same for dental coverage. Vision premiums will decrease for the coming year. The 2010 online *Benefits Guide* provides you with the new premium amounts for all plans. <http://smu.edu/hr/benefits/2010BenefitsHighlights.asp>

Emeriti Health Account

For those eligible, effective January 1, 2010, the monthly pre-tax contribution to the Emeriti Health Account will increase by \$2.08 per month to \$54.08. SMU's matching contribution to your Emeriti account will also increase to \$54.08 per month. These increases help your contributions and savings keep pace with inflation so enough money is set aside to help cover premiums and other out-of-pocket medical expenses in retirement.

Health Savings Account (HSA) Contribution Limits Increase for 2010

Effective January 1, 2010, if you elect coverage for yourself, the maximum amount you can contribute for 2010 is \$3,050. The maximum contribution for family coverage is \$6,150. If you will be age 55 or older in 2010, you may contribute an additional \$1,000 in "catch-up" contributions to an HSA in 2010.

OTHER PLAN CHANGES

Do Your Dependents Meet Health Plan Eligibility Rules?

Section 125 of the Internal Revenue Code enables SMU to deduct premiums for your health coverage on a pre-tax basis. Withholding your deductions pre-tax reduces your taxable income at the end of the year. Section 125 Plans require that certain rules and restrictions regarding eligible dependents be observed. Covering dependents that are not eligible is a violation of the Section 125 IRS Code as well as University Policy. In addition, it also drives up costs for everyone enrolled in our health plans. SMU has hired an outside firm, HR Advance, to conduct a dependent eligibility audit of our plans during the first quarter of 2010.

If you are currently covering dependents under SMU's benefit plans who do not meet our plan eligibility requirements, you will have the opportunity to drop them from coverage during open enrollment prior to the audit. All individuals claiming a dependent for insurance purposes will be required to provide supporting documentation of the relationship to the covered dependent (examples include marriage license, birth certificate and tax return documentation). We hope you will understand the need for this audit and thank you for your cooperation.

Mental Health Parity And Addiction Act

Effective January 1, 2010, changes are being made to comply with the Mental Health Parity and Addiction Equity Act, a federal law requiring health plans to cover mental health and substance abuse expenses in the same manner as physical health and illness.

Under the SMU Health and Wellness Plan, mental health and substance abuse services will be covered at the same benefit level as physical health and illness.

Details on the benefits available will be provided in your 2010 online *Benefits Guide*.

Additional details on plan eligibility rules including required documentation are provided in the 2010 Benefits Guide, which will be available on-line during open enrollment October 14 - October 30, 2009.

Aetna HMO Option No Longer Available

Given an average of 35 percent increase in HMO premiums for the past two years and declining enrollment in the plan, the Aetna HMO option will not be offered in 2010. The good news is that all of the SMU Health and Wellness Plan options have premiums that are significantly less than the Aetna HMO, so if you are currently enrolled in the HMO, you will save money by moving to one of the PPO options.

We know that 91 percent of the doctors in the Aetna HMO network also participate in the Blue Cross/Blue Shield of Texas (BCBSTX) PPO network, making it highly likely that you will be able to continue using your current doctor(s).

If you are currently enrolled in the HMO and wish to continue medical coverage, you **MUST** select from the SMU Health and Wellness plan another option for the coming year or your coverage will be discontinued.

New Administrator for Specialty Drugs

Beginning January 1, 2010, Blue Cross/Blue Shield of Texas (BCBSTX) has partnered with Triessent and Prime Therapeutics to administer the specialty prescription drug component of the SMU Health and Wellness Plan. Specialty drugs are typically higher-cost medications used to treat chronic medical conditions, such as diabetes and cancer. All other types of medications will continue to be covered and administered by Prime Therapeutics through BCBSTX.

Also effective January 1, 2010, the amount the SMU Health and Wellness Plan pays for specialty drugs will change. These changes help provide more financial protection for those who need specialty drugs. If you fill a prescription for a specialty drug through Triessent, you will pay 30 percent of the cost, up to a maximum of \$225 per prescription. For example, if the total cost of a prescription is \$150, you would only pay 30 percent, or \$45. However, if you have a medication that costs \$750, you would only pay \$225—a savings of \$525.

If you take specialty medications, more detailed information will be sent to your home mailing address soon.

New Vision Provider

For 2010, we have chosen a new provider, Vision Service Plan (VSP), to administer our vision plan. Moving to VSP offers SMU faculty and staff numerous advantages, including lower premiums and a broader network of eye care providers. The coverage for vision expenses will be the same as our current plan if you use a VSP provider, and the plan will actually pay a higher benefit for out-of-network vision care than our current plan. Details on the VSP plan will be provided in your 2010 online *Benefits Guide*

<http://smu.edu/hr/benefits/2010BenefitsHighlights.asp>