The University of Nebraska annual benefits enrollment period is currently underway. Several changes will be made to the Blue Cross Blue Shield of Nebraska medical insurance plan and the CVS Caremark prescription drug program in 2011. Please take some time to review this information since it may affect your insurance coverage for next year. Additional benefit information may be viewed on the University of Nebraska benefits Web page at www.nebraska.edu/benefits.

At this time, you may request a different Blue Cross Blue Shield medical option or cancel your medical and/or dental insurance coverage. Dependents, however, may not be added to your coverage. Once coverage has been canceled, you will not be allowed to re-enroll for coverage in the future.

If you wish to make any changes to your coverage for 2011, the attached Retiree Insurance Change Form should be completed and returned to your Campus Benefits Office by December 3, 2010. All changes will take effect on January 1, 2011.

Health Risk Assessment

The Health Risk Assessment (HRA) program is offered again this fall online, as paper surveys will not be available. Retirees (who had an email address in SAP as of Oct. 1, 2010) have the opportunity to complete the HRA beginning Monday, Nov. 8, 2010. The program will run for four weeks, ending with the 2011 NUFlex enrollment deadline of Friday, Dec. 3, 2010 at 5:00 p.m. CST. **The HRA survey must be completed each year in order to receive the enhanced wellness and preventive services benefit for the following calendar year.** Information on how to complete the HRA survey will be emailed to you based on the email address you previously provided.

Participation is voluntary; however, by completing this short survey, you will receive a personal health report that will help you assess and monitor your personal health status. The 2011 survey will include a confirmation page at the end of the Personal Health Summary which provides you with documentation the HRA was successfully completed. **The Personal Health Summary must be printed and/or saved in order for you to receive credit as a HRA survey completer.**

Your personal health information will remain confidential as the university will only have access to the aggregate information obtained from the survey. Aggregate data from each campus will be used to create programming to set goals for improving the health and well-being of all employees and retirees. Retirees who are enrolled in the university’s Blue Cross Blue Shield medical plan and complete the HRA will also receive an enhanced wellness and preventive services benefit for themselves as well as their covered family members. Enhanced wellness and preventive services include:
• Annual preventive care allowance of $300 (for insureds age 2 and over)
• 100 percent coverage, up to a $2,500 maximum, for routine preventive colonoscopy once every 10 years beginning at age 50 (services must be provided by a Blue Cross Blue Shield PPO Provider)
• $0 copay for generic prescription drugs through CVS Caremark’s mail service

Blue Cross Blue Shield Medical

➢ Blue Cross Blue Shield of Nebraska medical insurance premiums for the Low, Basic and High options will increase in response to increased medical plan costs. Increases will depend on the option and coverage category in which you are enrolled. Attached is a schedule showing the retiree medical insurance premiums for all options and coverage categories. As a reminder, the medical plan is closed to new enrollments.

➢ The Blue Cross Blue Shield annual deductibles and stop-loss limits will change for both the PPO and Non-PPO providers. Deductibles and stop-loss limits were last increased in 2004 (2008 for the Low Option). Listed below is a summary of the per person changes to the medical plan.

<table>
<thead>
<tr>
<th></th>
<th>Low Option</th>
<th>Basic Option</th>
<th>High Option</th>
</tr>
</thead>
<tbody>
<tr>
<td>Deductible (PPO)</td>
<td>$1,500 to $1,550</td>
<td>$400 to $450</td>
<td>No Change</td>
</tr>
<tr>
<td>Deductible (Non-PPO)</td>
<td>$1,900 to $1,950</td>
<td>$600 to $650</td>
<td>$400 to $450</td>
</tr>
<tr>
<td>Stop-loss limit (PPO)</td>
<td>$2,400 to $2,500</td>
<td>$1,500 to $1,600</td>
<td>$1,300 to $1,400</td>
</tr>
<tr>
<td>Stop-loss limit (Non-PPO)</td>
<td>$2,800 to $2,900</td>
<td>$1,900 to $2,000</td>
<td>$1,600 to $1,700</td>
</tr>
</tbody>
</table>

➢ The medical plan’s lifetime maximum benefit limit will be increased from $3,000,000 to an unlimited amount.

➢ Preventive care services and colonoscopy benefits have been changed so that amounts exceeding the maximum dollar limit will be applied to the member’s deductible and stop-loss limit.

➢ As previously noted, you will have the opportunity to complete an HRA between Nov. 8 and Dec. 3, 2010. Participation is voluntary; however, by completing this short survey, employees enrolled in the university’s Blue Cross Blue Shield medical plan will receive an enhanced wellness and preventive services benefit for themselves as well as their family members. The enhanced wellness and preventive services provided within the medical plan include:

• Annual preventive care allowance of $300 (for insureds age 2 and over)
• 100 percent coverage, up to a $2,500 maximum for routine preventive colonoscopy once every 10 years beginning at age 50. To receive this enhanced coverage, colonoscopy services must be provided by a Blue Cross Blue Shield PPO Provider, otherwise services will be applied to the deductible, coinsurance, and stop-loss limits.

This survey must be completed each year in order to receive the enhanced wellness and preventive services benefit for the following calendar year. In addition, the Personal Health Summary must be printed and/or saved in order for you to receive credit as an HRA survey completer.
Blue Cross Blue Shield will be implementing a new claims system effective Jan. 1, 2011. This new system will allow Blue Cross to be more efficient in claims administration and to streamline its benefit designs to better meet the needs of employer groups, members and health care providers. Below are several changes that will impact you as a result of the new claims system.

**New Identification Cards** - All insureds will be issued Blue Cross Blue Shield of Nebraska I.D. cards with a new employee I.D. number. Your old I.D. number will be terminated as of Dec. 31, 2010, so it is very important that the new I.D. card be used on or after Jan. 1, 2011 or claims will be returned to the provider for resubmission.

The new I.D. cards will also look different and display different information than the current cards. Two notable differences include: 1) The I.D. card will no longer list the names of covered dependents (eligible dependents are still covered under your ID number; however, their names will not appear on the card itself); and 2) No hyphens or other special characters used in the subscriber name will be displayed on the I.D. card. A sample of the new I.D. card may be viewed at the University of Nebraska benefits webpage at www.nebraska.edu/benefits. The new Blue Cross Blue Shield I.D. cards will be mailed to your home in late December so you should receive them by Dec. 31, 2010.

**New Explanation of Benefits (EOB)** – The Explanation of Benefits (EOB) will have a different format and look. To help familiarize you with the new EOB format, a sample EOB is available on the University of Nebraska benefits webpage at www.nebraska.edu/benefits. Under the new claims system, EOBs will be processed and mailed every 7 to 13 days. Members will no longer receive a separate EOB for each claim; instead, they will receive one EOB reflecting action taken on all claims during that 7-13 day time period. Claims will be processed daily and providers will be issued benefit payments once a week.

**New Provider Network** – A new preferred provider (PPO) network, called NEtwork BLUE has been established and will replace the BluePeferred PPO network. Insureds must use a NEtwork BLUE provider in order to obtain benefits at the in-network level. Medical claims incurred from a Nebraska provider that is not participating in the NEtwork BLUE PPO network will be processed as out-of-network (Non-PPO provider). Most medical providers who belonged to the BluePeferred PPO network continued participation in the NEtwork BLUE PPO network. However, it is important that you check with your provider to assure his or her status in the NEtwork BLUE PPO network before obtaining services. The current medical PPO network directory may be viewed on the university’s benefits webpage at www.nebraska.edu/benefits. For providers outside of Nebraska, the national Blue Cross Blue Shield PPO network will continue to apply.

- If you are currently enrolled in the High option, you may wish to seriously consider changing to the Low or Basic option. As you can see from the attached premium summary, the High option premium is significantly higher than the Low and Basic option premium. The only differences between these three options lie in the deductible, coinsurance and stop-loss limits. CVS Caremark prescription drug copays and the annual prescription drug deductible are the same for any Blue Cross Blue Shield of Nebraska medical option.

- Retirees currently enrolled in the Blue Cross Blue Shield of Nebraska medical plan will receive a Schedule of Benefits (confirming medical insurance coverage) sometime in January 2011. The 2011 Blue Cross Blue Shield of Nebraska Medical Certificate of Coverage (plan booklet) will be available on the University of Nebraska benefits Web page at www.nebraska.edu/benefits in January 2011.
CVS Caremark Prescription Drug Program

- The prescription drug annual deductible and copay amounts will change to the following for each 30-day prescription. This is the first change and/or increase in copay amounts since 2005 and 2009 respectively.

  - Annual Deductible (for brand name drugs) $50 to $57
  - Generic $9 (no change)
  - Brand (on formulary/Primary Drug List) $28 to $31
  - Brand (not on formulary/Primary Drug List) $47 to $52

- Retirees who complete the HRA and are enrolled in the university’s medical plan may purchase generic drugs through CVS Caremark’s mail service for $0 copay. The $0 copay is only available at CVS Caremark’s mail service and is not applicable at any retail pharmacy. The CVS Caremark Mail Service Program provides a convenient and cost-effective way to obtain long-term maintenance drugs. Participants should complete a mail service order form (mail service request envelope), which is available on the University of Nebraska benefits website and send to CVS Caremark, along with the original prescription(s) (not a photocopy) and the appropriate copay for each prescription. Participants will receive their prescription within 10 to 14 calendar days after CVS Caremark receives the order. The participant can also do this by phone, utilizing CVS Caremark’s Fast Start program at (866) 239-4704, or online at www.caremark.com/faststart.

- A new CVS Caremark program known as the Pharmacy Advisor Program will be available in 2011. The Pharmacy Advisor Program is a proactive outreach program that attempts to enhance the gaps in care for diabetes. This program will provide counseling, education, information on most cost-effective medications (generics) and the importance of taking a medication as directed by the member’s physician. The goal of the program is to ensure the member is adherent to his or her medication, which will lead to a decrease in health care costs to the employer and an increase in the overall health of the employee. The program attempts to engage the member during the purchase of a mail or retail prescription. This program supplements the university’s BluePartners disease management program. CVS Caremark will contact those members who have a history of diabetes to explain the advantages of the program.

- Included in this packet is a “Certificate of Creditable Coverage” notice that the university is required to provide to you. This notice certifies that the university’s current prescription drug coverage is deemed “creditable” by Medicare. Creditable coverage means that the prescription drug benefits in the university’s health plan exceed the Medicare required minimum prescription drug benefit. Therefore, you may wait to enroll in a Medicare Prescription Drug Part D plan without incurring a late enrollment fee. The enrollment period for Medicare Part D prescription drug benefits for current Medicare-eligible retirees is November 15, 2010 to December 31, 2010. This means that if you keep your current university medical insurance coverage, but decide to change to a Medigap and Medicare Part D prescription drug plan next year at this time, you will not be charged a late enrollment fee.
Blue Cross Blue Shield Dental Plan

- The Blue Cross Blue Shield of Nebraska dental plan premium will increase in 2010. If you are currently enrolled for dental insurance, you may wish to review your need for coverage by comparing your actual dental expenses versus the annual cost of premiums. Attached is a schedule showing dental premiums for all coverage categories. **As a reminder, the dental plan is closed to new enrollments.**

- Blue Cross Blue Shield has established a new dental PPO network called NEtwork BLUE. Although the NEtwork BLUE PPO network is identical to the BluePreferred network, some dental providers who were participating in the BluePreferred PPO network have elected to opt out of the NEtwork BLUE PPO network. Dental claims incurred from a Nebraska provider that is not participating in the NEtwork BLUE PPO network will be processed as out-of-network (Non-PPO provider). Employees should contact their dental provider to verify their participation in the new NEtwork BLUE PPO network before obtaining services. The current medical PPO network directory may be viewed on the university’s benefits webpage at www.nebraska.edu/benefits. For providers outside of Nebraska, the national Blue Cross Blue Shield PPO network will continue to apply.

- All insureds will be issued Blue Cross Blue Shield of Nebraska I.D. cards with a new employee I.D. number. If you have both medical and dental coverage, you will receive one card which reflects both coverages. Your old I.D. number will be terminated as of Dec. 31, 2010, so it is very important that the new I.D. card be used on or after Jan. 1, 2011 or claims will be returned to the provider for resubmission.

  The new I.D. cards will also look different and display different information than the current cards. Two notable differences include: 1) The I.D. card will no longer list the names of covered dependents (eligible dependents are still covered under your ID number; however, their names will not appear on the card itself); and 2) No hyphens or other special characters used in the subscriber name will be displayed on the I.D. card. A sample of the new I.D. card may be viewed at the University of Nebraska benefits webpage at www.nebraska.edu/benefits.

  The new Blue Cross Blue Shield I.D. cards will be mailed to your home in late December so you should receive them by Dec. 31, 2010.

- Current insureds will receive a Schedule of Benefits (confirming dental insurance coverage) from Blue Cross Blue Shield of Nebraska in January 2011. The 2011 Blue Cross Blue Shield of Nebraska Dental Certificate of Coverage (plan booklet) will be available on the University of Nebraska benefits Web page at www.nebraska.edu/benefits in January 2011.

**How to Make Changes in Coverage**

- If you wish to make a change in your medical insurance option or cancel your medical and/or dental insurance coverage, the attached Retiree Insurance Change Form must be completed and returned to your Campus Benefits Office no later than December 3, 2010.

- The new 2011 medical and/or dental insurance premium will be automatically changed for the January 5, 2011 electronic withdrawal. As a result, you do not need to contact your bank.
Retirees electing to cancel retiree medical insurance coverage with the university must notify the Campus Benefits Office in writing by the 15th of the month prior to the effective month of cancellation (i.e. if cancellation notice is received December 10th, cancellation will be effective January 1st). Notice of cancellation received after the 15th of the month will not be effective until the 2nd month following thereafter (i.e. if cancellation notice is received December 21, cancellation will be effective February 1st.) No premium refunds will be made when medical insurance coverage is cancelled. This policy also applies to any change to an electronic banking arrangement (ACH), i.e. change in banks, accounts, etc.

If you have any questions or need additional information, please call or email your Campus Benefits Office.

UNL: 472-2600
32 Canfield Administration
Lincoln, NE 68588-0409
Benefits@unlnotes.unl.edu
Fax: 472-6803

UNMC: 559-4340
985470 Nebraska Medical Center
Omaha, NE 68198-5470
Benefits@unmc.edu
Fax: 559-3866

UNO: 554-3660
205 Eppley Administration Building
Omaha, NE 68182
Benefits@unomaha.edu
Fax: 554-3777

UNK: 865-8522
1200 Founders Hall
Kearney, NE 68849
Benefitsunk@unk.edu
Fax: 865-8630

UNCA: 472-7162
217 Varner Hall
Lincoln, NE 68583-0742
Benefits@nebraska.edu
Fax: 472-2038