



# COBRA *newsletter*

## Medical, Prescription Drug and Dental Insurance

For Participants **Enrolled** in the University of Nebraska Insurance Coverage

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 and dental insurance plans, CVS Caremark prescription drug program, and EyeMed Vision Care insurance plan in 2012 (changes only apply if you are enrolled for coverage). 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 webpage at [www.nebraska.edu/benefits](http://www.nebraska.edu/benefits).

At this time, you may request a different Blue Cross Blue Shield medical option, add or drop dependents, or cancel your medical insurance coverage. In addition, you may enroll or cancel dental and/or vision care coverage. A Dependent Information Request Form must be completed and submitted to your Campus Benefits Office if you are enrolling dependents not currently on the plan(s). The Dependent Information Request Form is available on the university's benefits webpage. In addition, dependent verification documentation must be received in your Campus Benefits Office by Dec. 2, 2011. A list of the required dependent verification documents can be found at the university's benefits webpage.

If you wish to make any changes to your coverage for 2012, the attached COBRA Insurance Change Form should be completed and returned to your Campus Benefits Office by Dec. 2, 2011. All changes will take effect on Jan. 1, 2012.

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## Adult Child (Ages 19-26) Eligibility Change

- ▶ COBRA participants will be able to enroll their adult children under the age of 26 in the NUFlex 2012 plan even if the young adult no longer lives with his or her parents, is not a dependent on a parent's tax return, is employed, has the option of employer-provided benefits or is no longer a student. Adult children will be eligible for medical, dental, and vision insurance participation.

Adult children under age 26 may be enrolled during the NUFlex enrollment period, Nov. 14 - Dec. 2, 2011. Individuals not enrolled before 5 p.m. on Dec. 2, 2011 may not be enrolled until the next annual NUFlex enrollment period (NUFlex 2013). Eligibility criteria for dependent children under age 19 will not change.

A Dependent Information Request Form must be completed and submitted to your Campus Benefits Office if you are enrolling dependents not currently on the plan(s). The Dependent Information Request Form is available on the university's benefits webpage. In addition, dependent verification documentation must be received in your Campus Benefits Office by Dec. 2, 2011. A list of the required dependent verification documents can be found at the university's benefits webpage.

## Blue Cross Blue Shield Medical Plan

- ▶ 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. Premium increases have been reduced, however, by \$2 per month to reflect the reimbursement from the federal Early Retiree Reinsurance Program (ERRP) under the Affordable Care Act. More detailed information regarding ERRP is included at the end of this newsletter under the Health Care Reform section. Attached is a schedule showing the COBRA medical premiums for all options and coverage categories.
- ▶ An enhancement has been made to the medical and prescription drug plan to allow reimbursement of diabetic insulin pump supplies at either Blue Cross Blue Shield or CVS Caremark. Insulin pumps must continue to be purchased as durable medical equipment through a Blue Cross Blue Shield of Nebraska Durable Medical Equipment (DME) PPO Provider in order to receive reimbursement.
- ▶ Insureds enrolled in the Blue Cross Blue Shield medical plan will receive a Schedule of Benefits (confirming medical insurance coverage) sometime in January 2012. The 2012 Blue Cross Blue Shield of Nebraska Medical Certificate of Coverage (plan booklet) will be available on the University of Nebraska benefits webpage at [www.nebraska.edu/benefits](http://www.nebraska.edu/benefits) in January 2012.

## CVS Caremark Prescription Drug Program

- ▶ The prescription drug annual deductible and copay amounts will not change in 2012.
- ▶ Several new prescription drug programs that encourage the use of preferred and/or generic drugs will be effective Jan. 1, 2012. A step therapy program encourages the use of a preferred drug prior to utilization of a non-preferred drug. The preferred drug is a well-supported treatment option and represents the most cost-effective drug for a given condition. Simply put, a step therapy preferred drug strategy enhances the use of

safe, equally effective, and less expensive drugs before "stepping up" to a more expensive therapeutic alternative.

The step therapy program will impact those insureds who are receiving certain specialty drug medications in the Human Growth Hormone and Tumor Necrosis Factor (TNF) drug class. In addition, insureds using a prescription drug in the Proton Pump Inhibitor (PPI) drug class to treat ulcers, gherd, stomach acid, etc. will be impacted by this new program. The step therapy program requires the insured to try a lower-cost preferred and/or generic drug before the non-preferred drug will be dispensed and paid for by the plan. **If the preferred drug is an option for you but you continue to use the non-preferred drug, your prescription may not be covered by the plan and you will pay the full cost.**

More detailed information including a list of preferred drugs is available on the university's benefits webpage. CVS Caremark will send detailed information about the step therapy program to insureds that will be impacted. In addition, Caremark will work closely with your provider to assist in the change to the new prescription drug.

- ▶ An enhancement has been made to the medical and prescription drug plan to allow reimbursement of diabetic insulin pump supplies at Blue Cross Blue Shield in addition to CVS Caremark. Insulin pumps must continue to be purchased as durable medical equipment through a Blue Cross Blue Shield of Nebraska Durable Medical Equipment (DME) PPO Provider in order to receive reimbursement.

## Blue Cross Blue Shield Dental Plan

- ▶ The Blue Cross Blue Shield of Nebraska dental plan premium will not change in 2012. Attached is a schedule showing COBRA dental premiums for all coverage categories.
- ▶ Beginning this year, you will have the opportunity to make changes to your dental insurance coverage every year during the annual NUFlex enrollment. In the past, the dental option you elected was in effect for two years. This change will provide you with more flexibility by giving you the opportunity to make annual dental insurance choices. As a result, the Blue Cross Blue Shield dental plan will be available to you and your eligible dependents for enrollment, changes or cancellation of coverage at each annual NUFlex enrollment.
- ▶ Blue Cross Blue Shield of Nebraska has expanded the number of national dental network PPO providers. This out-of-state network is called Dental GRID with access to the expanded dental network effective Jan. 1, 2012. Additional details regarding the national dental network will be sent to you in December.

All insureds will be issued new Blue Cross Blue Shield of Nebraska Identification Cards to reflect the new national dental PPO network. If you have both medical and dental insurance, you will receive one card which reflects both coverages. A sample of the new identification card may be viewed at the university's benefits webpage. The new Blue Cross Blue Shield Identification Cards will be mailed to your home in late December; so you should receive them by Dec. 31, 2011.

- ▶ Insureds will receive a Schedule of Benefits (confirming dental insurance coverage) from Blue Cross Blue Shield of Nebraska in January 2012. The 2012 Blue Cross Blue Shield Dental Certificate of Coverage (plan booklet) will be available on the university's benefits webpage in January 2012.

## EyeMed Vision Care Plan

- ▶ Beginning this year, you will have the opportunity to make changes to your vision care insurance coverage every year during the annual NUFlex enrollment. In the past, the vision care option you elected was in effect for two years. This change will provide you with more flexibility by giving you the opportunity to make annual vision care insurance choices. As a result, the EyeMed Vision Care plan will be available to you and your eligible dependents for enrollment, changes or cancellation of coverage at each annual NUFlex enrollment.
- ▶ EyeMed Vision Care price tags will increase in 2012, ranging from \$1.00 to \$2.76 per month. Increases will depend on the coverage category in which you are enrolled. Increases are due to higher utilization of benefits by insureds and the addition of several benefit enhancements which are noted below.
- ▶ The vision plan's frame allowance will increase from \$100 to \$120 and the contact lens allowance from \$75 to \$120 for each family member, decreasing your out-of-pocket expense for frames by \$20 and contact lens by \$45.
- ▶ EyeMed Vision Care Identification Cards will be mailed to all employees enrolled in the EyeMed Vision Care plan in January 2012.

## Long Term Care

- ▶ To help maintain your protection and keep up with the rising cost of care, the CNA long term care plan contains a voluntary inflation protection feature (Guaranteed Benefit Increase Option) that provides periodic special opportunities to increase the daily and lifetime maximum benefit amounts\*. Your daily and lifetime maximum benefit amount may be increased for 2012 through this inflation protection feature. CNA will send you additional information including applicable premiums and an election form for your review.

Premiums for increased coverage will be based on your current age at the time of the offer. Premiums for your existing benefits will continue to be based on your age at the time those benefits went into effect.

\*If you elected the optional Lifetime Automatic Benefit Increase, you will not receive this offer as your daily benefit amount automatically increases each year.

## COBRA Payment Coupons and Payment Deadline

- ▶ Enclosed are your 2012 COBRA payment coupons that should be submitted each month with your premium payment. You will not receive late premium payment reminders. If your premium is received postmarked later than 30 days after the due date, coverage will be terminated as of the end of the previous month for which payment was received and you will not be eligible to reenroll for coverage.

# Health Care Reform Notices

## ► Opportunity to Enroll in Connection with Extension of Dependent Coverage to Age 26

Individuals whose coverage terminated, or who were denied coverage (or were not eligible for coverage), because the availability of dependent coverage of children ended before attainment of age 26 are eligible to enroll in the group health plan. Individuals may request enrollment for such children for 30 days from the date of notice. For more information contact your Campus Benefits Office.

## ► Disclosure of Grandfathered Status

This group health plan believes this plan is a “grandfathered health plan” under the Patient Protection and Affordable Care Act (the Affordable Care Act). As permitted by the Affordable Care Act, a grandfathered health plan can preserve certain basic health coverage that was already in effect when that law was enacted. Being a grandfathered health plan means that your plan may not include certain consumer protections of the Affordable Care Act that apply to other plans, for example, the requirement for the provision of preventive health services without any cost sharing. However, grandfathered health plans must comply with certain other consumer protections in the Affordable Care Act, for example, the elimination of lifetime limits on benefits.

Questions regarding which protections apply and which protections do not apply to a grandfathered health plan and what might cause a plan to change from grandfathered health plan status should be directed your Campus Benefits Office.

## ► Notice About the Early Retiree Reinsurance Program

You are a plan participant, or are being offered the opportunity to enroll as a plan participant, in an employment-based health plan that is certified for participation in the Early Retiree Reinsurance Program. The Early Retiree Reinsurance Program is a Federal program that was established under the Affordable Care Act. Under the Early Retiree Reinsurance Program, the Federal government reimburses a plan sponsor of an employment-based health plan for some of the costs of health care benefits paid on behalf of, or by, early retirees and certain family members of early retirees participating in the employment-based plan. By law, the program expires on Jan. 1, 2014.

Under the Early Retiree Reinsurance Program, your plan sponsor may choose to use any reimbursements it receives from this program to reduce or offset increases in plan participants’ premium contributions, copayments, deductibles, coinsurance, or other out-of-pocket costs.

If the plan sponsor chooses to use the Early Retiree Reinsurance Program reimbursements in this way, you, as a plan participant, may experience changes that may be advantageous to you, in your health plan coverage terms and conditions, for so long as the reimbursements under this program are available and this plan sponsor chooses to use the reimbursements for this purpose. A plan sponsor may also use the Early Retiree Reinsurance Program reimbursements to reduce or offset increases in its own costs for maintaining your health benefits coverage, which may increase the likelihood that it will continue to offer health benefits coverage to its retirees and employees and their families.

# Campus Benefits Offices

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

UNL:

(402) 472-2600  
32 Canfield Administration  
Lincoln, NE 68588-0409  
[benefits@unlnotes.unl.edu](mailto:benefits@unlnotes.unl.edu)

UNMC :

(402) 559-4340  
985470 Nebraska Medical Center  
Omaha, NE 68198-5470  
[benefits@unmc.edu](mailto:benefits@unmc.edu)

UNO :

(402) 554-3660  
205 Eppley Administration Building  
Omaha, NE 68182  
[benefits@unomaha.edu](mailto:benefits@unomaha.edu)

UNK :

(308) 865-8522  
1200 Founders Hall  
Kearney, NE 68849  
[benefitsunk@unk.edu](mailto:benefitsunk@unk.edu)

UNCA :

(402) 472-7162  
217 Varner Hall  
Lincoln, NE 68583-0742  
[benefits@nebraska.edu](mailto:benefits@nebraska.edu)