

Dear Benefits Plan Member:

NUFlex enrollment is just around the corner. Your NUFlex enrollment newsletter will be mailed to you soon and will contain full details about your health and benefits plans for 2013, but we wanted to take an opportunity now to share some good news and information that we hope is helpful to you as you begin your planning. **You will have the opportunity to enroll in the University of Nebraska's benefits plans or make changes to your benefits during the NUFlex enrollment period, Nov. 19 – Dec. 7, 2012.**

Here are some of the things you can expect for 2013:

No Net Price Increases for Calendar 2013

For the fifth time in seven years, health care premiums will not increase for full-time employees in 2013. There will also be no increases in deductibles and copays.

We would like to thank you for your continued efforts to keep the university's health care rates affordable. Initiatives that, with your support, have helped lower health costs for all of us include:

- Greater use of generic drugs. Prices for generic drugs decreased last year, while name-brand drug prices increased more than 10 percent. Generics represent more than three-quarters of our total pharmacy use but less than one-quarter of our total costs. Using generic drugs saves you and the overall health plan a tremendous amount of money.
- Fewer high-cost cases. The University of Nebraska, together with BlueCross BlueShield, started a chronic disease management plan in 2007 that we believe has helped hold down costs. It is important that you see your primary care physician regularly to keep you and your loved ones on the road to better health.

Impact of the Patient Protection and Affordable Care Act (PPACA)

A number of requirements of federal health care reform – coverage for dependents until age 26, elimination of lifetime coverage limits and elimination of pre-existing conditions as a consideration for coverage – are already reflected in our health plan. The following additional changes as required by the Affordable Care Act will become effective on Jan. 1:

- Summary of Benefits and Coverage (SBC): In the next several weeks, an SBC will be available at www.nebraska.edu/benefits. These documents will provide you with highlights of your medical plan to help you make informed decisions about which plan to choose.
- Health Care Flexible Spending Account decrease: The amount that you can contribute to your Health Care Flexible Spending Account will decrease from the current maximum of \$5,000 to \$2,500 in 2013.
- Changes to your W-2: We will be required in your 2013 W-2 to report to the federal government the amount of health premiums the university paid on your behalf.
- Medical device tax: Although not a direct charge to your plan, makers of medical devices will be taxed at 2.3 percent on devices like stents, pacemakers, wheelchairs and more.

Regulations in this area are continuing to evolve and we will communicate with you further as the full impact of the law becomes clearer.

Employee Plus One Coverage

Employee Plus One coverage will take effect Jan. 1 after the Board of Regents approved the expansion in June. You will have the opportunity to add dependents who are newly eligible under “plus one” coverage during the NUFlex enrollment period.

Other Planning for 2013

You should be aware that the FICA tax, sometimes called the Social Security tax, will increase from 4.2 percent to 6.2 percent of your pay in 2013 unless legislation is approved to extend the current tax rate. Please watch for developments and plan accordingly, as the change would represent about \$800 less in take-home pay per year for an employee making \$40,000 annually.

Congratulations!

You are to be congratulated for your part in helping our plan achieve its good results. We want you and your loved ones to get healthy, stay healthy and prosper. We encourage you and your family to:

- Take charge of your health. Get vaccinations, including flu shots, and improve your health habits.
- See your health care provider regularly.
- Use generics whenever possible.
- Stay informed about changes in our benefits plan and at the federal level so you can make the best choices for you and your loved ones.

Again, NUFlex enrollment begins Nov. 19. Watch for more information soon, and in the meantime, if you have questions, please don't hesitate to contact your Campus Benefits Office.

Sincerely,

Keith Dietze
Director of Universitywide Benefits