

Benefits Open Enrollment, May 2012

Overview

- Add or change your UVM benefits during Open Enrollment—beginning May 1 and ending May 31.
- The month of May is the only time you can change the medical, dental, life and disability insurance components of your benefits package—unless you experience a qualifying life change event.

Important Notes

Contact the HRS [Employee Information Center](#) immediately with any life change event (birth, death, divorce, marriage, graduation, etc.). **You must report a life change event within twenty days of the event** in order to enroll or maintain eligibility for coverage. Call 656-3150 or e-mail hrsinfo@uvm.edu.

The coverage and rates highlighted in this publication begin **July 1, 2012 and end June 30, 2013**.

The designation of **Cultural Holidays** and enrollment in **Flexible Spending Accounts** takes place in November.

UVM Medical Group faculty may change medical and dental coverage from FAHC to UVM or vice versa, change life and LTD coverage, and adjust 403(b) and 457(b) retirement contributions.

Changes You Can Make Now

You can make the following adjustments to your UVM insurance coverage during May:

- Enroll in medical and/or dental insurance plans
- Add/Update/Waive medical insurance coverage
- Add a dependent to your life insurance coverage
- Change your dental option to base or high option
- Adjust your life insurance coverage
- Change your long-term disability coverage

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Review Your Benefits

[PeopleSoft HR](#) > [Self Service](#) > [Benefits](#) > [Benefits Summary](#)

— The Fine Print —

*This information is designed to summarize new features that have been added to the benefits package during the past 12 months—or that will be added on July 1, 2012. It is **not** intended to provide complete details for each benefit. Full descriptions of insurance benefits will be contained in appropriate plan documents or subscriber certificates (in conjunction with the UVM [Non-Represented Faculty Handbook](#), the [University and University Officers' Manual](#), or the UVM [Staff Handbook](#)). Before making changes to coverage, employees are encouraged to familiarize themselves with their insurance benefits at the links above.*

*Information presented here is intended for faculty and staff who are **not** represented by unions. Collective bargaining unit employees are subject to the terms and conditions of employment outlined in union contracts.*

*For unionized employees, benefits are addressed through collective bargaining with union representatives. Represented employees must contact their union representatives with their questions and comments regarding changes in benefits. All employees, however, may contact their supervisors or the [HRS Employee Information Center](#) to seek clarification or ask questions regarding **existing** benefits programs.*

Medical Insurance Coverage

VHP Open Access Plan

This plan is a point-of-service managed care plan. **Participants in Vermont and western New Hampshire must select a Primary Care Provider (PCP)**, but no referrals are required for specialty care. Participants will receive most of their care from a regional network of physicians and will pay reasonable copays with relatively low deductibles. Benefits include:

- Worldwide Access to the BlueCard Preferred Provider Organization Network for all members
- High quality Magellan care management for mental health care
- Low copays for primary care physicians, specialists and cross-covering physicians

Participants pay a \$10 copay to see their primary care provider (PCP) and a \$20 copay to see a specialist. Emergency Room care has a \$50 copay per visit that is waived if followed by hospitalization. There is a copay of \$250 for each hospitalization with a maximum of three copays per family per plan year. This copay is for an entire course of treatment; if one is readmitted to the same hospital for the same diagnosis or treatment within 21 days of being discharged, there is no additional copay. Outpatient surgical benefits have a copay of \$100 and ambulance services have a copay of \$50; prior approval is required for non-emergency transport.

Participants outside of Vermont and western New Hampshire are not required to select a PCP, but **all participants must use the Blue Card PPO Network**. When using a general practitioner, family practitioner, pediatrician, internal medicine practitioner, naturopath or osteopath who is a member of the network, you will pay the PCP rate of a \$10 copay per visit. Find a network PCP at www.bcbsvt.com/member/Find_A_Doctor/index.html.

With **prior BCBSVT approval**, you may choose an **out-of-network** doctor or hospital. However, you will incur a \$500 per person deductible (\$1,000 family maximum), after which you will pay 30% of the allowed cost until you have met a \$2,500 out-of-pocket maximum (\$5,000 family maximum), after which you will be reimbursed 100%.

The VHP Open Access Plan covers many in-network evidence-based **preventive services** at **no cost** to members. You can learn more about [preventive benefits](#) online.

You may access ten visits for **mental health and substance abuse** before being pre-certified by Magellan Behavioral Health. After ten visits, pre-certification is required. Under the VHP Open Access plan, in-network services are covered at no cost to the participant.

Qualified Dependent Children

For **medical coverage** purposes, qualified dependent children are covered until the end of the month of their **26th** birthday, however, for dependent **dental and life insurance** qualified dependent children are covered until the end of the month of their **19th** birthday or their marriage, whichever occurs first. Eligibility for dental and life insurance may be extended beyond a child's 19th birthday to his/her **24th** birthday, as long as the child is otherwise eligible and is a full-time student.

Delta Dental mails out **Dependent Verification Request** forms when a child over the age of 19 visits the dentist. Failure to complete the form and return it to the address provided on a timely basis will result in the termination of coverage until the next open enrollment period.

New Autism Coverage

Autism will be covered under all UVM plans (VHP Open Access, J, J Carve-Out and Medi-Comp III) beginning July 1, 2012.

Coverage requires prior approval. Call Blue Cross and Blue Shield of Vermont customer service at 888-222-7886 for information about the benefit or the approval process.

See the new [Autism Coverage](#) page on the HRS site for more information.

BCBSVT = Blue Cross and Blue Shield of Vermont

Medical Coverage Choice

UVM employees have two choices for medical insurance coverage:

- (1) Blue Cross and Blue Shield Open Access Plan
- (2) Waiver of Medical Coverage

MAY is the **only time of the year** when employees may change coverage. Those waiving coverage may continue to do so by completing a new [Waiver of Medical Coverage](#) certification. This must be done annually in order to receive the \$1,000 waiver reimbursement. See your [plan information](#) for more details.

If you currently have medical insurance coverage and wish to continue coverage, no action is necessary.

Procedures Requiring Approval

BCBSVT does not require a referral to see a specialist. You may visit any **specialist within the network**—**except** in the case of **the following medical procedures** which **require prior approval**:

1. Plastic or cosmetic surgery (e.g., abdominoplasty, lipectomy, blepharoplasty, breast reconstruction, otoplasty, panniculectomy, rhinoplasty or septorhinoplasty)
2. Dental surgery (oral surgery, trauma, orthognathic surgery)
3. Chiropractic care after initial 12 visits in a calendar year
4. Special radiological procedures (MRI, MRA, MRS, PET scans)
5. UPPP/somnoplasty
6. Continuous Passive Motion (CPM) equipment
7. Durable Medical Equipment with a purchase price over \$1,000
8. Orthotics/prosthetics
9. Polysomnography (sleep studies)
10. Chondrocyte transplants
11. Home infusion therapy
12. Private duty nursing
13. Transplants
14. TENS units/neuromuscular stimulators
15. Rehabilitation (cardiac/pulmonary/inpatient rehabilitation facility) services by any **out-of-network** provider

Prescription Drug Questions?

If you have questions about changes to prescription coverage, call your Blue Cross Blue Shield Provider Relations Consultant at 888-449-0443.

If you have general pharmacy-related questions, contact Express Scripts at 800-313-7879.

Prescription Drug Coverage excludes a \$100 deductible, after which participants pay \$5 per generic prescription, \$20 per preferred brand prescription, or \$40 per non-preferred brand (\$5/20/40). Prescription drug coverage has a maximum out-of-pocket expense of \$1,300 for an individual, \$2,600 for two people, and \$3,800 for a family. A voluntary mail order prescription drug plan is available for maintenance drugs through [Express Scripts](#). (Visit their website or call 888-222-7886.) Purchase a 90-day supply at a cost equal to two copays (i.e., \$10/40/80), with no deductible. See the full BCBSVT preferred [prescription drug list](#) online.

Step Therapy encourages members to try lower cost, generic medication before newer, more expensive alternatives. Visit the BCBSVT online [Prescription Center](#) for information.

Prescription claims through network pharmacies or Express Scripts mail order are automatically filed with Blue Cross at the time of purchase. However, **you must submit non-network claims directly to BCBSVT**.

Waiver of Medical Coverage

UVM offers an annual **\$1,000 payment** in lieu of medical coverage. This waiver is reimbursed over the course of the fiscal year (July through June) and is subject to income tax withholding. The waiver is available to any full-time employee who certifies that s/he and, if applicable, his/her dependents are covered by non-UVM medical insurance. (A full-time employee is defined as anyone who is employed at 75% full-time equivalency [FTE] or more on a 12-month basis, or at 100% FTE on a 9, 10 or 11-month basis.)

The waiver of medical coverage is not available to an employee whose spouse also works at UVM, nor is it available to an employee who has retired from UVM with post-retirement benefits. Further, it is not available to an employee who waives coverage for eligible dependents but not for him/herself.

If you lose your non-UVM medical insurance by an event outside your control, you are eligible to enroll in a UVM medical plan within 20 days of the date of the event. If you waived coverage for yourself and your dependents, and your spouse loses employment, or if you lose coverage because of divorce or your spouse's death, you may enroll in the UVM plan within 20 days of the date of the event, as long as you provide appropriate documentation.

If you elect to waive medical insurance coverage, you are required to complete an annual written certification form each May, attesting that you are covered with two-person or family coverage through your spouse or civil union partner. Certification must be returned to the **HRS Employee Information Center, 228 Waterman Building**. Failure to provide the required annual certification will make you **ineligible** for the waiver payment.

Medical Insurance Premium Rates

[Medical insurance premium rates](#) and comparison charts are provided on the HRS website. The salary used for figuring your cost of insurance is your base salary on **January 1** of each year. Your rate will not be affected by salary changes during the year, unless you have a job or FTE change.

For **College of Medicine faculty**, base salary includes the combined salary paid under the common paymaster.

Employees with **9, 10 or 11-month appointments** pay their share of annual premiums in keeping with how they receive their pay. For example, a 9-month faculty member who gets paid over 9 months will pay for their 12-month coverage over the 9-month term (18 paychecks).

Part-time non-represented faculty and staff are eligible to receive UVM contributions if their full-time equivalency is at least 50%, and they have been employed for at least two semesters if faculty, or for one year if staff.

Premiums are based on the employee's full-time equivalency. For example, an employee who works 60% FTE pays 40% of the cost of coverage. Part-time employees who are at least 50% FTE but do not meet the length of service requirement may enroll if they pay the full cost of coverage. See PeopleSoft HR > Self Service > Benefits > Benefits Summary.

Medicaid/Children's Health Insurance Program (CHIP)

If you are eligible for health insurance coverage through your employer but are unable to afford the premiums, some states (including Vermont) have **premiums assistance programs** that can help pay for coverage. These states use funds from their Medicaid or **CHIP** programs to help people who are eligible for employer-sponsored health coverage, but need assistance in paying their health premiums. If you or your dependents are already enrolled in Medicaid or CHIP and you live in a state which provides assistance, contact your state Medicaid or CHIP office to find out if you qualify.

If you or your dependents are not currently enrolled in Medicaid or CHIP and you think that you or any of your dependents might be eligible for either of these programs, contact your state Medicaid or CHIP office or dial 1-877-KIDS-NOW or visit www.insurekidsnow.gov to find out how to apply. If you qualify, you can determine whether your state has a program that might help you pay the premiums for an employer-sponsored plan.

If you or your dependents are eligible for premium assistance under Medicaid or CHIP, your employer's health plan must permit you and your dependents to enroll in the plan—as long as you and they are eligible, but not already enrolled in the plan. This is called a “special enrollment” opportunity and you must request coverage within 60 days of being determined eligible for premium assistance.

Check www.insurekidsnow.gov/state/index.html for more information on the states that participate.

Term Life Insurance

There are **no changes in rates or plan design** for term life insurance for FY2013.

UVM offers the opportunity to purchase up to seven times your UVM base salary in life insurance for yourself, up to one half the amount of your coverage for your spouse, and \$10,000 for each covered child. You may increase your coverage (up to the limits) or add a child if you haven't already elected to do so, as long as you provide proof of good health to The Standard Insurance Company. **A change in life insurance coverage can only be made during Open Enrollment.**

Flexible Spending Accounts

No changes are made to Flexible Spending Accounts in May. **Enrollment for this annual calendar-year program occurs in November each year.**

Be aware that recent federal legislation has lowered the amount you will be able to set aside for approved medical expenses to **\$2,500 beginning in January, 2013**. The same legislation dropped reimbursement for over-the-counter medications and medical supplies, except with a prescription, as of January 1, 2011. For a list of the sorts of things that are covered, see the resources at the bottom of the [HRS Flex Spending page](#).

Medical and Dental Insurance Premium Costs

Faculty/Staff Premium Costs as of July 1, 2012:

BCBSVT VHP Open Access Plan	7.2% increase
Delta Dental	1.8% decrease

Employee’s Monthly Cost for the High Option Dental Plan:

Employee Only	\$6.82 per month
Employee and Spouse	\$13.57 per month
Employee and Child(ren).....	\$14.26 per month
Employee and Family	\$20.93 per month

Dental Insurance Coverage

The University offers **two dental plans** through Northeast Delta Dental: the **Base** plan and the **High Option** plan.

Full-time employees are eligible for coverage after a six-month waiting period. UVM pays the full Base plan premium for full-time employees and dependents. If you select the High Option plan, you pay the difference in premium cost between the Base and High Option plans.

Dental coverage for part-time employees is optional after one year of service for staff and after twenty-four months for faculty. For the Base plan, UVM will contribute a percentage equal to the employee’s FTE. For the High Option plan, the employee pays the difference in premium between the Base and High Option plans, in addition to his/her share of the Base plan premium.

If you currently have dental insurance coverage and do not wish to make any changes, no action is necessary. However, if you previously waived coverage, you may enroll during this Open Enrollment period. Coverage will be effective on July 1. For further information about dental coverage, visit the [Delta Dental](#) website.

Coverage Provided by the Dental Plans

	Base Plan	High Option
Coverage A (Preventive)	100%	100%
Coverage B (Minor Restorative)	80%	80%
Coverage C (Major Restorative).....	50%	60%
Deductible/Person/Calendar Year	\$25	\$25
Deductible/Family/Calendar Year.....	\$75	\$75
Deductible Applied to Coverage A	Yes	No
Maximum/Person/Calendar Year	\$750	\$1,500
Coverage D (Orthodontics)	50%	50%
Lifetime D Maximum/Person	\$500	\$1,000

Note: Dental coverage through Northeast Delta Dental runs through the calendar year, not the fiscal year.

Long-Term Disability Insurance

The Standard Long-Term Disability Plan provides long-term disability coverage with **no changes in rates or plan design**.

You are eligible for disability insurance coverage if you have completed at least one year of service and are employed 75% FTE on a 12-month basis, or 100% FTE on a 9, 10 or 11-month basis. **You must enroll within 31 days of your eligibility date, or provide proof of insurability to enroll during Open Enrollment in the month of May.**

You may request a change in coverage due to a major life event (e.g., gain or loss of a dependent or termination of your spouse's full-time employment). You may only request a change if you apply within **20 days** of the life event.

You may check [PeopleSoft HR Self-Service](#) (Benefits > Benefits Summary) to see whether you have purchased 60% or 70% LTD coverage. **If there is no deduction for disability insurance on your paycheck, you are not covered.**

UVM Retirement Savings Plan

Participants in the UVM Retirement Savings Plan may contribute to the plan a dollar amount up to 100% of their compensation, minus their benefit costs (i.e., FICA and Medicare taxes, health and dental deductions, etc.) **to a limit of \$17,000 in calendar year 2012**. Reduction forms should be submitted annually (ideally in January) in order to spread out your contribution over the greatest number of payroll checks.

If you come to UVM from another organization where you contributed this year to either a §403(b) plan or a SEP or an IRA or a §401(k), those contributions must be added to your contributions to UVM's plan when determining your maximum contributions for this year. The sum of all such contributions cannot exceed \$17,000 in 2012 if you are 49 years of age or younger, or \$22,500 in 2012 if you are 50 years of age or older. (The amounts are subject to change annually by the IRS.)

Participants who wish to contribute more than the maximum elected deferral amount listed above may be able to choose from one of two programs:

1. **Special §402(g) Years of Service Catch-Up** and/or
2. **Age 50+ Catch-Up**

Reduction forms for the catch-up options should be submitted annually (ideally in January) in order to spread out your contribution over the greatest number of payroll checks.

Participants age 50 and over on December 31, 2012, may contribute an additional \$5,500 to

the plan in calendar year 2012. If you wish to use the catch-up provision, please complete a **Salary Reduction/Investment Agreement**. You will find this [Agreement](#) in the Forms area of the HRS website.

Employee Contribution Limits for 2012

Standard Limit: \$17,000

Service Catch-Up Limit: an additional \$3,000

Age Catch-Up Limit: an additional \$5,500

The overall employer-employee contribution **Combined Limit** (including any catch-up options) is **\$50,000 for 2012**, not to exceed 100% of compensation, minus benefit costs.

— Catch-Up Options —

The Special §402(g) years of service catch-up option is only available to those employees with 15 or more years-of-service with UVM. You must have fifteen years of full-time equivalent service with UVM and your elective deferrals cannot average more than \$5,000 per year of credited service. Under this Special §402(g) years of service catch-up, you would be eligible to make up to a \$3,000 annual catch-up contribution (\$15,000 lifetime maximum). The Special §402(g) years of service catch-up calculation form must accompany each reduction form.

To be eligible for the Age 50+ catch-up contribution in a calendar year, you must be at least age 50 by December 31 of that year, must have elected to defer the maximum regular reductions as adjusted for cost-of-living, and must not be eligible for Special §402(g) years of service catch-up. Age 50+ catch-up is limited to \$5,500 for 2012.

You can use both the Special §402(g) years of service catch-up and the Age 50+ catch-up option during the same year, but you must use the ordering rule which requires that you apply all catch-up to the Special §402(g) years of service rule first, then apply any excess contributions to Age 50+ catch-up.

Roth Contributions to UVM Retirement Savings Plans

The University accepts §403(b) Roth contributions to your retirement savings account. These after-tax contributions are simply another way to contribute money to your account. Instead of having all of your contributions deducted from your paycheck before taxes, you may decide to make additional contributions to a Roth account on an after-tax basis. Later, if you meet certain requirements, the Roth money you withdraw at retirement may be “qualified,” meaning it will be federal income tax free. Here are a few points to keep in mind:

- ❖ You may make Roth contributions regardless of your income.
- ❖ Roth contributions are subject to income taxes in the year in which they are contributed, and they will be reflected on your W-2 for that year.
- ❖ Your total elective deferral to the plan (including both before-tax contributions and Roth contributions) cannot exceed the elective deferral limits set by the IRS on an annual basis.
- ❖ You can change the amount of your ongoing before-tax or Roth contributions anytime.
- ❖ You cannot “reclassify” an existing before-tax balance as a Roth balance.
- ❖ Required minimum distribution rules apply to Roth contributions. This means you generally must begin taking distributions from your account during the year in which you reach age 70½.
- ❖ Employer contributions are **not** permitted in your Roth account. **To continue to receive the University contributions, you must make your (2 or 3%) minimum contribution to your before-tax account.**
- ❖ Roth money you withdraw at retirement may be “qualified” and thus not be subject to federal income tax. To be “qualified,” the distribution must:
 - Generally happen at least five years after your first Roth contribution and,
 - Occur after you reach age 59½ (or after your death or disability as defined by federal tax law).

If your withdrawal does not meet these qualifications, the earnings will be taxable; additionally, if you are under age fifty-nine-and-a-half, a distribution of funds will be subject to an early distribution penalty.

Questions and Answers

What if I'm happy with my current coverage and benefits choices?

If you are waiving medical insurance, you must **provide annual certification of coverage** through your spouse or civil union partner. Otherwise, to maintain your current level of benefits, do nothing.

How can I tell which insurance coverage I've selected?

Log in to [PeopleSoft](#) HR and navigate to Self-Service > Benefits > Benefits Summary.

What if I don't change my benefits now? Can I make changes later in the year?

You can only make changes to your **medical, dental, life and long-term disability insurance** during **Open Enrollment in May**. This is the ideal time to review all your benefits to ensure that you are taking advantage of the best benefits for you.

Note: Changes to your **retirement plan** (contribution, vendor, allocation) can be made any time during the year.

Where can I find a description of the various benefit plans?

See the [HRS website](#) under Info for Faculty and Staff > Benefits > [Benefit Plans](#).

I understand that healthcare coverage has been extended to dependents through the age of 26. Is that true?

Yes, as a result of the federal legislation that was adopted in 2010, access to healthcare coverage may now be extended to qualifying dependents through the age of 26. **This is only the case for medical coverage, not for dental coverage**—see the information above under [Dental Insurance Coverage](#).

My dependent child is graduating from college this spring. When will her medical and dental coverage end?

You must notify the [HRS Employee Information Center](#) if your child is graduating from college. If you do not do this on a timely basis, your options will be limited. We will discuss with you the options available based on your individual circumstances.

Every year I receive a notice from my insurance company asking me to certify that my dependent child is a full-time student. After completing it, what should I do with the form?

Delta Dental has historically sought to verify the student status of children between the ages of 19 and 24 when they process a claim for that child. If you receive a Delta Dental form, it should be returned directly to Delta Dental.

If your dependent is turning 19 and is not a full-time student (dental), or if s/he will turn 24 (dental) or 26 (medical) this year (whether or not s/he is a full-time student), or if s/he will be graduating, you must notify the [HRS Employee Information Center](#). If you do not do this on a timely basis, your options will be limited. We will discuss with you the options available based on your individual circumstances.

What's the most important thing to remember?

In order to make changes to your UVM benefits, be sure to complete the necessary paperwork during the Open Enrollment period in the month of May. The last business day during Open Enrollment is **Thursday, May 31**.

Next Steps

1. **Check your current benefits enrollment status.**

Consult [PeopleSoft](#) Human Resources > Self Service > Benefits > Benefits Summary

2. **Review the available options and changes effective July 1.** See the [HRS](#) website for more information.

3. **If you are satisfied with your current coverage, it will continue without any action on your part.** (Unless you are waiving medical coverage—then you should complete a waiver form.)

4. If you wish to make changes to your coverage, **complete and submit the appropriate paperwork before May 31, 2012.** Forms may be found under [Forms](#) on the menu of the HRS web site.

For more information, see the [Info for Faculty and Staff](#) area of the HRS website for information about:

- ❖ Benefit Plans
- ❖ Benefit Eligibility
- ❖ Medical and Dental Premiums
- ❖ Long-Term Disability Rates
- ❖ Total Compensation

Questions about benefits? e-Mail HRSInfo@uvm.edu

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