



## PRESIDENT'S LETTER

## 2012 NATIONAL BENEFITS AND RATES

Emeriti is pleased to inform you that Emeriti's group insurance offerings, both their benefit design and their premium rates, are confirmed for 2012. Our overarching goal remains to provide you with an attractive, well-balanced menu of insurance options at competitive prices, so that you can select the combination of medical, prescription drug, and dental coverage that meets your health care needs and personal financial circumstances.

### Emeriti Medical Benefits

We will be continuing the **Aetna Traditional Choice Medical Plan**, which is a medical plan that coordinates with Medicare. After you have satisfied the \$200 plan deductible, most claims for Medicare allowable charges will be paid in full. Premiums will see a modest increase, on average, about 6.4%. Rates will continue to vary by your age and by where you live.

The **Aetna Supplemental Retiree Medical (SRM) Plans K and L** will be available again in 2012, where approved by state insurance departments.\* Plans K and L include more cost-sharing and generally have lower premiums than the Traditional Choice Plan. Premiums for Plans K and L will increase, on average, about 6.4%. Rates vary by your age and where you live. Plans K and L are not available in WA, NH, VT, MD, and MN.

Emeriti will continue to offer the **Aetna Medicare Advantage Preferred Provider Organization plan (PPO)**. This plan has in-network and out-of-network provisions. Premiums for this plan will not increase in 2012. Rates vary on a county-by-county basis.

### Emeriti Part D Prescription Drug Plans

Emeriti will continue to offer three drug plans -- high, mid, and

low benefit options. As in past years, you may change to any of these prescription drug plans during annual enrollment.

We have good news to report with regard to the Part D prescription drug plan premium rates. The increases for these Emeriti options in 2012 are quite modest, on average about 5.3% higher than last year across all of our drug plans. Rate increases vary depending on which drug plan you choose and in which state you live. Since Emeriti retirees tend to use more generic rather than brand drugs, we are able to keep premium rates down.

The Rx High Plan will increase 5.8%. The Rx Mid Plan will remain flat, with no premium increase. The Rx Low Plan will increase 6.0%. The Rx Mid-High Plan, while open to only existing enrollees, is closed to new entrants. The premium rate for this plan will increase 5.3%.

### Emeriti Dental Plan

Emeriti is pleased to report that there will be no premium increase for the optional dental plan in 2012. Dental coverage may be added to medical and prescriptions drug coverage, or in combination with the stand-alone Rx Low Plan. Please note that if you dis-enroll from the dental plan, you will not be able to re-enroll again.

### Health Care Reform Update

Updates to the Patient Protection and Affordable Care Act (PPACA) will include the following in 2012:

- The Medicare Coverage Gap Discount Program will continue to provide manufacturer discounts on brand name drugs to Part D beneficiaries who reach the Coverage Gap and are not

\*PLEASE NOTE: Plan K is not available in Florida. Therefore, Emeriti will offer Aetna Group Medicare Supplement Insurance (GMS) Plans A and L to retirees living in Florida, and you will receive detailed information in your annual enrollment kit.

already receiving "Extra Help." A 50% discount (excluding the dispensing fee) will be available for those brand name drugs from manufacturers that have agreed to provide it. The discount will be applied to each of the Emeriti Rx plans at point-of-purchase, at a retail pharmacy or via mail order service. If your PDP plan has the Open formulary and already includes coverage for brand drugs in the Gap, the 50% discount will further reduce your cost share obligations. If your PDP plan has the Open formulary but does not include coverage for brand drugs in the Gap, the 50% discount will also reduce your cost share obligations. If your PDP plan has the Standard formulary and offers no coverage for brand drugs in the Gap, the 50% discount will only apply to those brand drugs available on the formulary.

- If you elect the Rx Low Plan, and are not already receiving "Extra Help," your cost share in the Coverage Gap can be no more than 86% for covered Part D generic drugs offered by the standard Part D benefit. Since the Rx Mid and Rx High Plans already include generic drug benefits during the Coverage Gap, this cost share does not apply to those plans. Only the Rx Low Plan is being revised to reflect this required change by Medicare (CMS).

### Emeriti's Bold New Directions

Emeriti is pleased to share exciting news with you about bold new directions in the Emeriti Program that will improve support and expand services for Emeriti participants.

#### **Starting January 1, 2012:**

1. Fidelity services will terminate on December 28, 2011.
2. Savitz will be Emeriti's new disbursement record keeper for Emeriti group insurance administration and Emeriti medical expense reimbursement processing. Savitz is a Philadelphia company with more than forty years of experience in full-service benefits services supporting employees and retirees in organizations nationwide.
3. TIAA-CREF will be Emeriti's new accumulation record keeper, trust services provider, and investment manager for Emeriti Health Accounts.

#### **WHAT REMAINS THE SAME IN 2011**

There will be no changes to the Emeriti Program for the balance of 2011. The three main components of the Emeriti Program, including the Health Accounts, Health Insurance, and the Reimbursement Benefit will remain intact. Rather, the purpose of Emeriti's new service relationships is to strengthen the delivery of Emeriti's core benefits and to enable us to offer enhancements to existing services, many of which plan participants frequently have requested in recent years. Aetna, the health insurance offering, nationally, and HealthPartners, the insurance coverage in Minnesota remain on a steady course.

Key channels of communication will also remain in place throughout 2011, including the Emeriti Service Center call number (1-866-EMERITI) and the Emeriti website ([www.emeritihealth.org](http://www.emeritihealth.org)). It is our intention to make the transition from the 2011 to 2012 plan year as seamless as possible for Emeriti's participants. Please visit the Emeriti website to access our Frequently Asked Questions (FAQ) and learn more.

#### **WHAT WILL CHANGE IN 2011 - IMPORTANT INFORMATION FOR ANNUAL ENROLLMENT**

Savitz will perform record-keeping services for the 2012 annual insurance open enrollment period, which will begin October 31 and conclude on December 31, 2011. Savitz will handle retiree insurance this fall on the same phone enrollment basis (at the same 1-866-EMERITI telephone number) through the Emeriti Service Center and will be coordinating all file exchanges with Aetna for retiree health insurance.

#### **IMPORTANT 2011 AND 2012 SERVICE DATES**

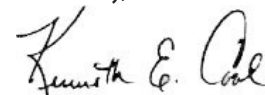
1. **Every participant will need to sign the "Banking ACH" authorization form that will accompany your annual insurance renewal kit, and return it to Savitz no later than December 15, 2011.** Doing so will enable Savitz to conduct ACH sweeps from your bank account to pay your share of insurance premium costs, if you have insufficient funds in your Emeriti Health Account. The "Banking ACH" form and more details will be included in this year's annual enrollment kit, which will be mailed in late October.
2. **The deadline for submitting Emeriti Reimbursement Benefit claims this year will be December 21, 2011.** That is the last day that Fidelity can process your claim. Effective January 1, 2012, you will be able to submit your qualified medical expense claims to Savitz via mail or fax. The first reimbursement cycle in 2012 will take place toward the end of January. You will receive the new reimbursement form and further details about submitting claims in December, along with your insurance confirmation statement. You will also receive more information at the Emeriti workshops on your campus this fall.
3. **Fidelity and TIAA-CREF, respectively, will require a blackout period from December 29, 2011 to January 15, 2012 in order to complete the conversion of assets and data.** During the blackout, you will not be able to view your Emeriti Health Account online, nor will you be able to make investment changes. Emeriti will provide additional information in the annual insurance enrollment kit and during the fall workshops on campus. You will also receive a reminder notice later this year from Fidelity and TIAA-CREF.
4. Fidelity will send its 2011 Annual Emeriti Health Account Statement in January. Please note that you will see a zero balance on your final Fidelity account statement because all of your assets will have been transferred from Fidelity to your new Emeriti Health Account at TIAA-CREF. The assets in your account will map directly from Fidelity's Freedom Fund and money market to the corresponding TIAA-CREF lifecycle fund or money market fund, effective January 1, 2012.
5. TIAA-CREF will send a new Asset Transfer Confirmation Statement in January. The statement will reflect the amount transferred from your Emeriti Health Account at Fidelity to your new Emeriti Health Account at TIAA-CREF.

Starting in January 2012, Emeriti, in conjunction with its new service providers, will provide participants with an array of enhanced services, which will become effective on a rolling basis in the first half of the year. Look for more information in future Emeriti newsletters in early 2012.

In the meantime, please watch for an invitation to Emeriti's annual fall workshops on your campus, where we will provide an overview of the 2012 health insurance plans, provide Medicare updates, and answer any questions you may have about our new partners, TIAA-CREF and Savitz. If you cannot attend, Emeriti will offer retiree teleconferences in November and December (details on back cover). Keep in mind that annual enrollment starts on October 31, 2011 and ends on December 31, 2011.

As a nonprofit consortium, Emeriti strives to offer you high quality retiree health products and services in a cost-effective manner. We hope that you will be very pleased in 2012 with the improved support and expanded services.

Sincerely,



Kenneth E. Cool, President

## Planning for Your 2012 Insurance Enrollment

Central to the Emeriti value proposition is choice of coverage at each annual enrollment. In 2012, Emeriti will offer you the following:

### Four Medical Plans

- Aetna Traditional Choice
- Aetna Supplemental Retiree Medical Plan L
- Aetna Supplemental Retiree Medical Plan K
- Aetna Medicare Advantage PPO (or PPO ESA)

### Three Part D Prescription Drug Plans

- Rx High Plan
- Rx Mid Plan
- Rx Low Plan

### One Optional Dental Plan

- Emeriti Dental Plan

### Plan to Enroll Early

We encourage you to enroll by early December so that Aetna can process your enrollment and you can receive your Aetna insurance ID cards on a timely basis. If you enroll in a new plan, you will receive a new card. All participants, both currently enrolled or enrolling for the first time in a Medicare Advantage or a PDP plan, will receive new cards. If you stay enrolled in Traditional Choice, SRM Plans K or L, or Dental, you will not receive a new card, and may continue using your existing Aetna insurance ID card in 2012. If you need services early in January before your cards arrive, please call the Emeriti Service Center to obtain your insurance identification numbers.

## Emeriti's National 2012 Medical Plan Design

Aetna Traditional Choice	Aetna Supplemental Retiree Medical Plan L**	Aetna Supplemental Retiree Medical Plan K**	Aetna Medicare Advantage PPO (or PPO ESA)***
\$200 plan deductible	\$0 plan deductible	\$0 plan deductible	\$300 plan deductible in-network \$500 plan deductible out-of-network
20% coinsurance of balance after Medicare, up to plan deductible	25% coinsurance of balance after Medicare	50% coinsurance of balance after Medicare	15% coinsurance in-network 25% coinsurance out-of-network
Enhanced preventative care in Medicare	Enhanced preventative care in Medicare	Enhanced preventative care in Medicare	100% preventative care
\$1,250 out-of-pocket limit	\$2,320 out-of-pocket limit*	\$4,640 out-of-pocket limit*	\$2,750 out-of-pocket limit in-network \$5,500 out-of-pocket limit out-of-network

\*Out-of-pocket limits are for 2011 and subject to change by Medicare for 2012.

\*\* If you are a retired resident of Florida, Emeriti will offer Aetna Group Medicare Supplement Insurance (GMS) Plans A and L to retirees living in Florida, and you will receive detailed information in your annual enrollment kit.

\*\*\* The PPO ESA Plan has the same benefits as the in-network PPO plan.

## Emeriti's Florida 2012 Medical Coverage

Due to state law, Florida requires that Aetna file a true group Medicare Supplement plan for those retirees who reside in that state. Therefore, Aetna's Traditional Choice and Aetna Group Medicare Supplement Insurance Plans A and L will be offered. Plan A has no annual plan deductible, but you will pay all of the Medicare Part A and Part B deductibles. Plan A operates on a coinsurance basis, meaning that you have a cost-sharing obligation on the balance of Medicare covered services after Medicare pays its share. In Plan A, this amount is generally \$0 on Medicare allowable charges. There is no preventive services allowance beyond Medicare, and there is no out-of-pocket limit beyond Medicare allowable charges.

Aetna Group Medicare Supplement Insurance Plan A (Florida only)	Aetna Group Medicare Supplement Insurance Plan L (Florida only)
\$0 deductible	\$0 deductible
Generally no coinsurance on Medicare allowable charges and plan payments	25% coinsurance of balance after Medicare
No preventive care beyond Medicare	Enhanced preventative services
No out-of-pocket limit - you are responsible for out-of-pocket costs	\$2,320 out-of-pocket limit*

\*Out-of-pocket limits are for 2011 and subject to change by Medicare for 2012.

## Emeriti 2012 Medicare Part D Design

Rx High Plan	Rx Mid Plan	Rx Low Plan
Open Formulary	Open Formulary	Standard Formulary
\$100 deductible	\$100 deductible	\$320 deductible
Initial Coverage Limit and Coverage Gap: Coinsurance Retail: 15% - 30% - 40% Coinsurance MOD*: 10% - 25% - 35%	Initial Coverage Limit: Coinsurance Retail: 15% - 30% - 50% Coinsurance MOD*: 10% - 25% - 45%  Coverage Gap: 15% (retail) / 10% (MOD) copay for Tier 1 generic drugs	Initial Coverage Limit: Coinsurance Retail: 15% - 30% Coinsurance MOD*: 10% - 25%  Coverage Gap: no coverage <i>NOTE: Cost share in the Coverage Gap can be no more than 86% for covered Part D generic drugs.</i>
Catastrophic coverage: Plan pays 100% after you reach TrOOP amount (\$4700). Member pays \$0.	Catastrophic coverage: Plan pays: 95%. Member pays 5%. <i>Participant pays the greater of the 5% or \$2.60 for generics &amp; \$6.50 for brand</i>	Catastrophic coverage: Plan pays: 95%. Member pays 5%. <i>Participant pays the greater of the 5% or \$2.60 for generics &amp; \$6.50 for brand</i>
Step therapy NOT required	Step therapy required for some drugs	Step therapy required for some drugs

\*Members who use Aetna's Rx Home delivery Mail Order Drug (MOD) program, will pay a reduced percentage of the negotiated cost of the drug as compared to retail.

NOTES: The Medicare Coverage Gap Discount Program provides a 50% manufacturer discount on brand drugs in the Coverage Gap for all Rx plans for participants not already receiving "Extra Help." Please refer to information about the Medicare Coverage Gap Discount Program on page 2.

Rx Mid-High Plan no longer available for new entrants. If you are currently enrolled in that plan, Emeriti will send more information in your annual enrollment kit.

## Emeriti 2012 Dental Coverage

You can add dental coverage to any of Emeriti's medical and Rx combinations, or to the Rx Low Plan if you choose the stand-alone option. The key features of the dental benefit include preventive, basic and major services.

<b>Preventive service coverage</b>	<b>100%</b>
Annual deductible (basic and major services)	\$100
Basic services coverage (e.g. fillings, standard crowns, extractions)	50%
Major services coverage* (e.g. root canal therapy, surgical removals, dentures)	50%
Annual benefit maximum	\$1,500

\*Subject to 12 month waiting period with no proof of prior **continuing coverage**.

NOTE: Dental is not available on a stand alone basis. If you dis-enroll from the dental plan, you will not be able to re-enroll again.

## Pre-65 Dependent Coverage

Emeriti offers three medical/Rx plans for your pre-65 spouse (or domestic partner if allowed by your institution) or dependent children until their age 26th birthday. If you are now insuring a pre-65 dependent, we will send you information about the available coverages in your annual enrollment package.

## The Emeriti Post-65 Health Insurance Default Option

**If you do not phone the Emeriti Service Center to enroll for 2012 and you are currently insured in one of the Emeriti Health Insurance Plan Options, you will be defaulted into the medical and drug option that is most similar to the insurance plan in which you are currently enrolled in 2011.** If you are currently enrolled in the dental plan, you will also be re-enrolled in that coverage. Review the plans and the premiums when you receive the annual enrollment package in the mail. If you are happy with the defaults, do nothing.

### Here is how the 2011 plans will map to the 2012 choices:

- 2011 Aetna Traditional Choice Plan will default to the 2012 Aetna Traditional Choice Plan
- 2011 Aetna Retiree Supplemental Plan L will default to the 2012 Aetna Retiree Supplemental Plan L
- 2011 Aetna Retiree Supplemental Plan K will default to the 2012 Aetna Retiree Supplemental Plan K
- 2011 Medicare Advantage PPO will default to 2012 Medicare Advantage PPO
- 2011 Medicare Advantage PPO ESA will default to 2012 Medicare Advantage PPO ESA
- 2011 Rx High Plan will default to the 2012 Rx High Plan
- 2011 Rx Mid Plan will default to the 2012 Rx Mid Plan
- 2011 Rx Low Plan will default to the 2012 Rx Low Plan

**Please note that current enrollees in the 2011 Rx Mid-High Plan may continue in that plan in 2012. The plan is closed to new enrollees.**

**Florida residents who choose to enroll in the 2012 Aetna Group Medicare Supplement Insurance Plan A or Plan L will be required to make an active election over the phone. Further details will be provided for Florida residents in the Annual Enrollment kit that will be mailed in late October.**

## Billing Information

### 1. Please sign the new "Banking ACH" Authorization Form and return it by December 15, 2011.

2. You always pay one month in advance for the next month's health insurance coverage.

- If you have not made any changes to your plan elections for 2012, your January premium, payable in December, will reflect the 2012 premium rates.
- If you elect different plans by November 30th, your first premium for the new elections will be payable in December.
- If you change your election between December 1st and December 31st, in January you will pay the adjusted premium amount, based on what you had already paid in December.

**Please note: You may have or will soon be receiving an Aetna mailing called "Annual Notice of Change" for the Prescription Drug plan and the Medicare Advantage PPO (or PPO -ESA) plan, in which you are currently enrolled. These required documents outline your current plan benefits that will change in the 2012. This newsletter and the enrollment kit that will be mailed to you in late October, reflect all of the provisions for the 2012 benefits.**

NOTE: IN THE STATES OF NEW YORK, AND KENTUCKY, THE NAME OF THIS GROUP HEALTH PRODUCT IS THE "AETNA RETIREE MEDICAL PLAN". IN THE STATE OF KANSAS AND TERRITORY OF PUERTO RICO, THE NAME OF THIS GROUP HEALTH PRODUCT IS THE "AETNA RETIREE MEDICAL INSURANCE PLAN". IN ALL OTHER STATES, THE NAME OF THIS GROUP HEALTH PRODUCT IS THE "AETNA SUPPLEMENTAL RETIREE MEDICAL PLAN" (HEREINAFTER COLLECTIVELY REFERRED TO AS "RETIREE MEDICAL PLAN").

The Retiree Medical Plan is offered, underwritten or administered by Aetna Life Insurance Company (Aetna). State mandates may apply.

CHCS Services, Inc. is currently the third party administrator (TPA) for the Retiree Medical Plan. This material is for informational purposes only. Not all health services are covered. See plan documents for a complete description of benefits, exclusions, limitations and conditions of coverage. Plan features and availability may vary by location and are subject to change. Providers are independent contractors and are not agents of Aetna. Aetna does not provide care or guarantee access to health services. Members must use a health care provider that is eligible to receive reimbursement under Medicare in order to receive benefits under this plan, except as otherwise noted in the plan documents.

The Aetna Supplemental Retiree Medical Plan/AETNA RETIREE MEDICAL PLAN/AETNA RETIREE MEDICAL INSURANCE PLAN is not a Medicare Supplement insurance plan or Medigap insurance plan. This is an employer group retiree medical plan and may provide benefits that are different from a Medicare Supplement plan. You must meet the eligibility criteria established by your former employer and be enrolled in Medicare Parts A & B to be eligible to enroll in this plan. The Retiree Medical Plan will not provide coverage for services, supplies or treatment that is covered under Original Medicare. The Retiree Medical Plan covers only Medicare-approved charges up to the Medicare allowable amount, unless otherwise noted in the plan documents. Your state may offer you counseling services and advice regarding your health insurance. For more information about Medicare and other insurance, review the "Guide to Health Insurance for People with Medicare" published by the federal government and available at [www.medicare.gov](http://www.medicare.gov).

While this material is believed to be accurate as of the print date, it is subject to change. In the event of a conflict or inconsistency between this material and plan documents, the terms of the plan documents shall govern.

Emeriti, Fidelity, TIAA-CREF, Savitz, Aetna, and HealthPartners are independent organizations and are not legally affiliated. The information contained herein has been provided by Emeriti and is solely the responsibility of Emeriti.

The retirement healthcare program is offered by the employer. Teachers Insurance and Annuity Association (TIAA) will provide services to the plan and make available investment options. TIAA-CREF Trust Company, FSB provides investment management and trust services.

Plans are offered by Aetna Life Insurance Company and its affiliates. Coverage is provided through a Medicare Advantage organization or a Medicare Prescription Drug plan sponsor with a Medicare contract. See plan documents for a complete description of benefits, exclusions, limitations and conditions of coverage. State mandates apply. Product availability may vary by state.

This material is for information only and is not an offer or invitation to contract. This is a solicitation to sell Aetna Medicare Supplement coverage. The Aetna Group Medicare Supplement Insurance Plan is offered, underwritten or administered by Aetna Life Insurance Company (Aetna). CHCS Services, Inc. is currently the third party administrator (TPA) for the Aetna Group Medicare Supplement Insurance Plan. This material is for informational purposes only. Not all health services are covered. See plan documents for a complete description of benefits, exclusions, limitations and conditions of coverage. Benefits and costs may vary depending upon the insurance plan and are subject to change. Providers are independent contractors and are not agents of Aetna. Aetna does not provide care or guarantee access to health services. Not connected with or endorsed by the U.S. Government or the Federal Medicare Program. Members must use a health care provider that is eligible to receive reimbursement under Medicare in order to receive benefits under this plan, except as otherwise noted in the plan documents. You must meet the eligibility criteria established by your former employer and be enrolled in Medicare Parts A & B to be eligible to enroll in this plan. Your state may offer you counseling services and advice regarding your health insurance. For more information about Medicare and other insurance, review the "Guide to Health Insurance for People with Medicare" published by the federal government and available at [www.medicare.gov](http://www.medicare.gov).

Discount programs provide access to discounted prices and are not insured benefits.

In the event of a conflict or inconsistency between this material and plan documents, the terms of the plan documents shall govern. This Plan provides for automatic adjustment of benefits necessary to cover changes in the coinsurance amount, deductible or coverage requirements of the Medicare program. Changes to Part A and Part B of Medicare are generally announced in October to take effect on the first day of January of the following calendar year.

Aetna will provide notice of any resulting changes in benefits or premium contributions. Any changes required will become effective on the effective date of the change in the Medicare program.

## Annual Enrollment Next Steps and Resources

- Review this newsletter
- Review your annual enrollment package (mailed at the end of October)
- Prepare for attending the Emeriti fall workshops by downloading the retiree presentation at [www.emeritihealth.org/workshops](http://www.emeritihealth.org/workshops)
- Attend Emeriti fall workshops on your campus
- Call the Emeriti Service Center (1-866-EMERITI)
- Visit the Emeriti website at [www.emeritihealth.org](http://www.emeritihealth.org)

### Emeriti 2012 Annual Enrollment Telephone Meetings

If you are unable to attend a campus workshop, simply call-in to one of our retiree teleconferences:

**Tuesday, November 29th from 3pm to 4pm (EST)**

Phone number: 1-877-598-1708    Participant code: 97486812

**Tuesday, December 6th from 3pm to 4pm (EST)**

Phone number: 1-877-598-1708    Participant code: 97476445

