

September 4, 2009

Dear Employee,

In October employees will have the opportunity to review and/or make changes to their benefit selections through open enrollment. Human Resources will host educational sessions in conjunction with Humana. These sessions will summarize benefit plan information, and in addition, vendors and resources will be available during the benefits fairs. The following link displays the dates, times and locations of sessions:

<http://www.units.muohio.edu/prs/benefits/schedule.pdf>.

The university's benefits committee, which has analyzed costs and options for health care and other benefits in recent years, has prioritized a list of potential benefit changes for the 2010 calendar year. The committee developed the list as part of its long-term goal of managing increases in health care costs to Miami while continuing to serve the wellness and long-term health of employees. Faced with a 14 percent projected cost increase for 2010 the benefits committee presented its list in August to the President's Executive Council (PEC), which chose to enact the changes for 2010.

While the university has implemented changes over the past several years such as offering health plan choice and adjusting copayments we need to continue to monitor and make adjustments to benefits in order to impact the escalating cost increases we are experiencing.

Premiums:

- The premium contributions (the amount withheld per pay period) will remain the same for employees earning less than \$130,000.
- For employees earning \$130,000 or more, the maximum premium cap will increase to 25% of the total premium.

The changes below apply to the traditional (PPO) plan. As of the end of the second quarter the high deductible plan has achieved cost savings, therefore there will be no changes to the high deductible plan for 2010.

Traditional Plan (PPO) changes include:

- Establishing in-network deductibles of \$250 single/\$500 family coverage per year; the deductible will only apply to services that are covered by co-insurance (services where members pay a percentage of the cost). Members will be responsible for the first \$250 and/or \$500 and then co-insurance applies. Seven of the 14 public universities and colleges in Ohio provided health care plans in 2009 that included deductibles ranging from \$100 to \$250 for single coverage and \$200 to \$600 for family coverage.
- Increasing prescription co-pays from \$10/30/50 to \$10/35/60.
- Increasing the co-pay for specialists from \$25 to \$35 per visit. Family practitioners, internists, and pediatricians are not considered specialists. Specialists generally charge significantly more per office visit.

Other Items:

A dependent eligibility audit was completed to ensure the accuracy of Miami University's dependent records. In addition to covering the cost of conducting the audit, the results of the audit will achieve future cost reductions for Miami. As a result of the audit nearly 100 dependents were removed from the benefit plans. The savings per dependent varied based on whether the dependent had been enrolled in the health or dental plans.

Together, we can manage our cost increases and work towards our long term health and wellness.