

August 22, 2012

ORNL Staff

## **Medical Benefit Changes for 2013**

You may remember that at the beginning of the year I announced that medical benefit plans for salaried UT-Battelle employees would change effective January 1, 2013. As we approach Open Enrollment, I want to give you a short overview of what's new and how the changes will be rolled out.

Right now, as you know, we have two medical benefit plans: Point of Service (POS) and Open Access. Our new benefits package – which starts in 2013 for exempt, non-exempt, full-time, part-time and casual staff and on January 1, 2014, for bargaining unit staff – will include Open Access Plus (OAP), which is similar to our existing POS plan, and the Choice Fund, a new consumer-driven plan that includes a Health Savings Account (HSA). While the cost structure is new, medical benefits under the Choice Fund are similar to our existing Open Access plan.

For retail and mail order prescriptions, both plans will move to a co-insurance payment structure — that is, you will pay a portion of the full cost of your prescriptions rather than a set co-payment. For generics, the new OAP plan will continue to have a set dollar amount as a co-payment, promoting the use of lower cost generics whenever available.

Although copayments and premiums will rise in the OAP plan, we have worked to minimize the increases and are maintaining the 80/20 premium split between ORNL and employees. The Choice Fund offers lower premiums in exchange for high deductibles, and it allows enrollees to accumulate significant pre-tax savings in a Health Savings Account. ORNL also will seed your HSA with an initial company contribution.

In addition, our new medical benefits package includes an expanded nationwide network of providers, bariatric surgery, and coverage for domestic partners (both medical and dental).

The 2013 open enrollment period runs from October 8-31, 2012. You can choose one of these two new options or waive coverage. If you make no election during Open Enrollment, you will be defaulted into the Open Access Plus plan.

We'll provide many opportunities for you to learn more about each plan and plenty of time to allow you to make the best decision for you and your family.

- The plan providers, Cigna and Express Scripts, will conduct employee meetings across campus on August 29 and 30 and again on September 18, 19 and 20. A Q&A period will follow each meeting, and one of the sessions will be recorded and posted on the web. Cigna and Express Scripts return to campus for another day of meetings on October 17 and will also be available during the Benefits and Wellness Fair on October 18.
- A booklet explaining the new plans will be mailed to your home in early September.
- You and family members can view a webinar during the Open Enrollment period in October.

If you need to attend more than one session, please do.

Cigna and Express Scripts also are providing web-based tools that you can use to understand your potential out-of-pocket costs in 2013.

All information concerning the changes for 2013 will be available from work or home at <http://benefits.ornl.gov/2012>. Meeting slides, videos, Q&As, and a variety of tools and resources will be posted as they become available. You'll also find the complete calendar of meetings scheduled over the next several weeks.

A final note that could affect many of our long-time employees: These changes have implications for retirement benefits that differ depending on timing of retirements and your age. If you are younger than 65 and retire with an effective date no later than January 1, 2013, you will remain in the **current** POS or Open Access plan after retirement. If you retire later, you will continue in the new OAP or Choice Fund plan that you elect as an active employee during Open Enrollment. To help you understand these implications, ORNL Benefits is conducting employee meetings in September, "Considering Retirement: 2012 vs. 2013." You can find the schedule on the Benefits website.

Fall is always a very busy time, but these changes make it particularly important for us to take time to review the new medical plans, consider expected healthcare needs, and make a well-considered choice. We're glad to be able to provide a new option this year, and we believe we have a plan for providing all the information you'll need to understand your options and make a sound decision.

Sincerely,



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