



**Volume 16, Issue 1
January 2006**

Inside this Issue:

Page 2
The Standard
New BC/BS Cards
Medicare Benefits

Page 3 and 4
HIPAA

Page 5
SouthFlex
Employee Assistance Program

University of South Alabama

HR Update

Benefits Fair

The Human Resources Department held USA's first ever Employee Benefits Fair on Thursday, November 3rd and Friday, November 4th, 2005. Hundreds of benefits-eligible faculty and staff along with many spouses attended the event held at USA Children's & Women's Hospital, the USA Medical Center and the Main Campus.

Pamela Henderson, Director, Human Resources, along with her staff wish to thank all the employees who attended the Fair as well as their supervisors for adjusting work schedules accordingly. They would also like to thank all of the departments that helped with coordinating this successful event.

The Fair was planned and coordinated by an HR Committee consisting of: Kim French, Ashley Baugh, Stephanie Williams, Zachary Doll, Tracie Byrne, and Melissa Dravis. Other members of the HR staff who helped staff and

support the event included Tina Hancock, Angie James, Elizabeth Dickson, Charles Smith, Freda Lee, Joyce Thomas, Sandra Pickens, Jelicka Caldwell, Charlotte Singleton and Kathy Kingry.

University representatives who attended the Fair included our USA Employee Assistance Program Counselor, USA Campus Recreation, USA Credit Union, and USA Health Systems along with the State Teachers' Retirement System.

Vendors present included AIG-Valic, American Century Investments, Ameriprise Financial, Blue Cross & Blue Shield, Lincoln Financial, TIAA-CREF, The Standard and Primerica.

Employees at all locations registered for vendor sponsored door prizes and 35 winners were drawn.

New Personnel Action Form!

HR and Payroll began using a new Personnel Action Form in October 2005. The form was designed to help us transition to Payroll/HR Banner and incorporates previous personnel action forms into one form. The form and instructions are available at:

<http://www.southalabama.edu/humanresources/applicationforms.html>

Use Adobe Reader 7.0 or greater or Adobe Acrobat 7.0 Professional (available on the above website). If you have any questions, please contact your HR Office.

2006 Contribution Limits for 403(b)/457 Supplemental Retirement Accounts

Maximum contribution limits for 403(b) and 457 Plans have increased for calendar year 2006 to \$15,000.00 for employees under age 50 and \$20,000.00 for employees age 50 or older. Should you wish to change your current contributions or inquire about enrollment in one of these optional retirement plans, please contact Human Resources.

REMINDER: 2006 Drug Deductible

This is a reminder that all USA Health Plan members will have to meet the calendar year drug deductible for 2006. The deductible is a \$50 prescription drug deductible per member per calendar year, maximum three deductibles per family. Prescription drugs will be covered at 100% of the allowed charge after the \$50 deductible has been met, subject to the appropriate drug copay.

HUMAN RESOURCES

Main Campus 460-6133 • USAMC 471-7325 • USACW 415-1604 • USAKH 660-5400 • Payroll 460-6471

Open Enrollment—The Standard

During open Enrollment, the University along with The Standard Life Insurance Company offered current benefits-eligible faculty and staff additional coverage in the amount of 1 times the basic coverage without proof of good health. Standard also offered dependent life insurance in the amount of \$10,000 at a monthly rate of \$3.00 per month, regardless of the number of children covered. Coverage for your spouse was available in the amount of \$25,000 at a monthly rate of \$6.50.

This benefit was a great success and many employees took advantage of this opportunity.

- 430 employees elected 1x basic coverage
- 448 employees elected \$25,000 of spousal life coverage
- 303 employees elected \$10,000 of dependent child coverage

Employees may still choose to apply for 1, 2, or 3 times their Basic Life Insurance coverage at any time but it will be subject to medical underwriting approval. Additional Dependent Coverage is also available upon application but will be subject to medical underwriting. This is in addition to the Basic Life Insurance the University provides at no cost to you.

NEW BlueCross BlueShield ID Cards

Dental Coverage became effective on January 1, 2006 as part of the USA Health Plan. New ID cards were mailed out in December with Health and Dental logos. This new ID card should be presented for both health and dental coverage. The subscriber's name is inscribed on the ID card. Information on each dependent covered under the contract was enclosed. Please review this information to ensure it is correct and contact your HR office if you did not receive new ID cards.

Medicare Benefits – What Should I Do?

(This notice applies only to the USA Health Plan Members Eligible for Medicare Coverage)

This information will help you decide what Medicare coverage best suits your health care needs.

Key Points in Making Your Decision

There are many choices for health coverage in the Medicare system. You are eligible for Medicare Part A (hospital care) and Part B (doctor visits) when you turn 65. But you can opt out of Part B if you don't want to keep it.

Consider the following when making your decision:

1. If you are covered by other health insurance now (from your employer or a spouse's), there is no penalty if you defer Part B (doctor visits) until you or your spouse retires.
2. If you are not covered by other insurance, and you do not keep Part B, you will pay more if you enroll later on.
3. If you do keep Part B, you can buy extra insurance to cover health care costs that the traditional Medicare plan does not cover. Or you can choose a Medicare Advantage (formerly called Medicare + Choice) plan.

Information to Consider

Your choices for Medicare coverage are:

1. Keep your employer's health plan if you are still working, or
2. Get Part A to cover only hospital costs, or
3. Enroll in the original Medicare plan (Parts A and B, covering hospital and doctor visits), or
4. Enroll in Medicare Advantage, which are privately run health plans sponsored by Medicare.

Starting January 1, 2006, prescription drug coverage will be available to everyone with Medicare through Medicare prescription drug plans. All Medicare prescription drug plans will provide at least a standard level of coverage set by Medicare. Some plans might also offer more coverage for a higher monthly premium. Because the USA Health Plan is on average at least as good as standard Medicare prescription drug coverage, you can keep this coverage and not pay extra if you later decide to enroll in Medicare coverage.

The USA Health Plan offers Medicare-eligible participants with a Health Plan that provides greater benefits for prescription drugs than does the new Medicare Part D prescription drug benefit. The Plan offers valuable coverage for other health care services that may or may not be covered by Medicare.

USA HEALTH PLAN

Notice of Election to Opt-Out of Federal Regulations

In 1997, the federal government issued regulations on enforcement of the Health Insurance Portability and Accountability Act (HIPAA), the Newborns' and Mothers' Health Protection Act (NMHPA), and the Mental Health Parity Act (MHPA). Federal law allows non-federal government plans the right to be exempt from these new regulations. The USA Health Plan elected to opt-out of the requirements of HIPAA, NMHPA and MHPA effective January 1, 1998 and has reaffirmed that election for the Plan Year starting January 1, 2006. An explanation of the impact of this decision on current and future employees and their dependents is provided below:

Health Insurance Portability and Accountability Act (HIPAA):

Many of the provisions of HIPAA do not apply to the USA Health Plan, or the Plan is already in compliance with these provisions. For example, HIPAA prohibits group health plans from discriminating against employees on the basis of health status. The USA Plan has never imposed discriminatory rules.

Current Employees who have already served the 270-day Pre-Existing Conditions Limitation as explained in your Summary Plan Description will not be affected by the USA Health Plan's decision to opt-out of HIPAA.

1. USA Health Plan provisions allow current members with single coverage to enroll their eligible dependents when they experience a Change in Status Event, subject to application of the 270-day Pre-Existing Conditions Waiting Period. In this case, a Change in Status Event includes the marriage or divorce of the employee, a significant change in the health coverage of the employee's spouse attributable to the spouse's employment, birth or adoption of a child, or obtaining legal custody/legal guardianship of a child.
2. Current employees who have previously declined coverage are allowed to enroll themselves and their

eligible dependents when they experience a Change In Status Event due to death of a spouse, divorce or a significant change in the health coverage of the employee attributable to the spouse's employment, subject to application of the 270-day Pre-Existing Conditions Waiting Period.

3. Effective January 1, 1998, when a Change in Status Event as defined in 1 and 2 above occurs, employees and their dependents will receive credit for any time the employee has served in a benefits eligible position towards the 270-day Pre-Existing Conditions Waiting Period. Application for enrollment must be made within 30 days of the Change in Status Event. Employees who experience one of these Change in Status Events and who have been employed in a benefits eligible position for 270 consecutive days will have the Pre-Existing Conditions Waiting Period waived. The Pre-Existing Condition Exclusion does not apply to newborn or adopted children.

New Employees and their dependents are required to serve the 270-day Pre-Existing Conditions Waiting Period. Certificates of prior coverage from your previous insurance plan will not be accepted to reduce the USA Health Plan Pre-Existing Conditions Waiting Period. Because of the Plan's election to opt-out of HIPAA, new employees should give serious consideration to continuing the COBRA privilege granted under their previous employer's health plan if they have any concerns that a medical condition may be considered pre-existing under the terms of the USA Health Plan.

Pre-Existing Conditions include pregnancy, or any disease, disorder or ailment, congenital or otherwise, which existed on or before the Effective Date of coverage, whether or not it was manifested or known in any way, or any condition diagnosed or treated in the year before the Effective Date. The determination as to whether or not a medical condition is pre-existing shall be made by the Plan Administrator.

USA HEALTH PLAN

Notice of Election to Opt-Out of Federal Regulations (Con't)

Terminating employees or dependents no longer eligible for benefits will be provided certification of coverage from Blue Cross Blue Shield of Alabama that can be submitted when applying for benefits under a new health plan. The same applies to dependents who no longer meet the definition of an eligible dependent, as defined in the Summary Plan Description. The Plan has expanded the COBRA privilege available to terminating employees to extend continuation of coverage for disabled dependents to 29 months. Eligible dependents who are disabled at the time COBRA coverage begins may elect to continue COBRA for 29 months, subject to the provisions of existing COBRA regulations. For additional information, please refer to the Summary Plan Description.

Newborns' and Mothers' Health Protection Act (NMHPA):

The NMHPA establishes minimum in-patient hospital stays for newborns and mothers following delivery, based on medical necessity. The USA Health Plan has never imposed limitations regarding the length of an in-patient hospital stay following delivery. The Plan's decision to opt-out of NMHPA will have no effect on current or new employees.

Mental Health Parity Act (MHPA):

The MHPA does not allow plans to establish financial limits on mental health treatment, but does allow limits on the number of out-patient office visits, number of in-patient days allowed, coverage of prescription drugs to treat mental health conditions, or elimination of coverage for mental health treatment altogether.

Under USA Health Plan, inpatient treatment in a Hospital or residential Substance Abuse Treatment facility is a Covered Service, paid at 80% of the Allowable Amount subject to the \$250 Calendar Year Deductible, and limited to a Calendar Year Maximum Benefit of 30 days and a Lifetime Maximum Benefit of 60 days. Outpatient treatment is also a Covered Service, paid at 80% of the Allowable Amount, subject

to the \$250 Calendar Year Deductible and limited to a Calendar Year Maximum Benefit of 40 visits. Inpatient Physician benefits are limited to a Calendar Year Maximum Benefit of 30 days. Covered services related to inpatient and outpatient Substance Abuse Treatment are limited to a combined Lifetime Maximum Benefit of \$25,000.

Revised 1/1/2006

***** NOTICE *****

Women's Health and Cancer Rights Act

The USA Health Plan complies with the Women's Health and Cancer Rights Act, providing the following benefit:

The Plan provides medical benefits for mastectomies for treatment of breast cancer including reconstructive surgery of the breast on which the mastectomy was performed, and of the other breast to produce a symmetrical appearance; prosthesis and coverage of physical complications resulting from all stages of the mastectomy, including lymphedema. Coverage of prosthesis shall include initial placement of prosthesis and replacements as determined to be Medically Necessary. Coverage of prosthesis shall also include the brassiere required to hold the prosthesis, limited to a Plan Year Maximum Benefit of four (4) brassieres.

Coverage is subject to Plan provisions, copayments, annual deductibles and applicable coinsurance. If you have any questions concerning this Act, please contact the Customer Services Department Blue Cross Blue Shield of Alabama 1-877-345-6171.

Revised 1/1/2006

SOUTHFLEX

This is a reminder to all 2005 Health Care Spending Account (FSA) Participants that you have until March 15, 2006 to incur your medical expenses. All Dependent Care Spending Account (FSA) participants must incur all daycare expenses by December 31, 2005.

Both Health and Family Care expenses must be filed with Blue Cross/Blue Shield by April 15, 2006. The IRS requires that any unused monies left in your account must be forfeited.

The IRS has ruled that over-the-counter drugs qualify as reimbursable medical expenses under Health Care Flexible Spending Accounts. You will want to consider including these expenses when filing your 2005 medical claim expenses.

Easy Access to SouthFlex Flexible Spending Account Information Is Just A Click Away...

www.bcbsal.com

Blue Cross and Blue Shield of Alabama enables you to access and manage your flexible spending account by visiting their web site at www.bcbsal.com.

Click on "Preferred Blue Accounts" to access Internet tools that provide general information such as:

- How flexible spending accounts work
- What expenses are eligible
- What expenses are not eligible
- How flexible spending accounts can reduce your taxes
- Frequently asked questions
- Forms and materials (including printer friendly copies of Request for Reimbursement Forms and Preferred Blue Account Direct Deposit Service Forms)
- Tax Savings Calculator

After signing into CustomerAccess and selecting "View Your Preferred Blue Accounts" you can...

- View a Summary of your account to help track your account balance
- View your transaction history
- Check the status of request for receipts
- Complete a Receipt Submission Form

Call 1 800 213-7930 and a Blue Cross and Blue Shield of Alabama representative will be happy to assist you.

Open Enrollment Statistics for SouthFlex

	2005	2006
Participants Enrolled	843	825
Health Care Account (Annual Elections)	\$1,419,274	\$1,328,916
Dependent Care Account (Annual Elections)	\$376,997	\$316,587
Total Annual Elections	\$1,796,271	\$1,645,503

DID YOU KNOW ABOUT USA's Employee Assistance Program?

The mission of the University of South Alabama Employee Assistance Program is to provide counseling and referral as appropriate, for employees, who are experiencing personal problems, which are likely to impact their work performance and quality of life. This service is available to benefits-eligible hospital and campus employees at no cost to the employee. Use of the EAP is confidential and examples of some of the areas addressed by the EAP include:

- Alcohol or other drug misuse
- Emotional concerns
- Personal stress
- Traumatic incident debriefing

For additional information please call 460-7051.

UNIVERSITY OF SOUTH ALABAMA FRINGE BENEFITS COMMITTEE

Mr. M. Wayne Davis (Chair)
Vice President
Financial Affairs
AD 328, 460-6243

Dr. Lanier Cauley
Associate Professor
Mechanical Engineering
EGCB 208, 460-6168

Dr. Pat C. Covey
Sr. Vice President Academic Affairs
AD 300, 460-6261

Mr. Pat Downing
Director
USA Brookley Center
BCLY, 431-6445

Mr. Edward Felts
Mgr., Data Networks
Computer Services Center
CSC 210, 460-6161

Ms. Amy Fleet
Secretary IV
Marketing and E-Commerce
MCOB 360, 460-6412

Dr. William Gilley
Professor
Graduate Studies
UCOM 3600, 460-6205

Dr. Susan McCready
Associate Professor
Foreign Languages and Literature
HUMB 330, 460-6291

Mr. John P. Pannelli
Assistant Vice President, Medical Affairs
COM Business Office
CSAB 269, 460-7188

Ms. Kelly Peters
Associate Controller
Business Office
AD 380, 460-6653

Dr. Victoria Rivizzigno
Associate Professor
Earth Sciences
LSCB 146, 460-7571

Dr. Robert Shearer
Assistant to the President
Academic
Office of the President
AD 122, 460-6111

Ms. Barbara Shirvanian
Administrative Assistant I
Student Affairs
SC 270, 460-6172

Mr. Joseph M. Smith
Automotive Mechanic
Maintenance
MSHB, 460-7111

Dr. Stephen Teplick
Chair
Radiology
MSTN 301, 471-7861

Ms. Carolyn Williams
Nurse Manager
Surgery Intermittent Care 8th
UMC, 471-7656

Non-Profit
U.S. Postage
PAID
Permit No. 506
Mobile, AL

Human Resources
University of South Alabama
Administration Building, 286
307 University Blvd., N.
Mobile, Alabama 36688-0002



TM