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**HR Update**

# OPEN Enrollment

## For USA Health & Dental Plan and SouthFlex

Open enrollment for the USA Health & Dental Plan and SouthFlex will be held during the month of November.

The University is very pleased to announce that although the USA Health & Dental Plan experienced an overall increase in costs during the past year, and improved benefits with the addition of Air Medical Services in May 2007, there will be no increase in health insurance premiums for the coming year.

Our benefits consultant presented the 2007 annual valuation report and 2008 projection of costs to the Fringe Benefits Committee (FBC) at the October 9, 2007 meeting. The valuation indicated that in the coming year we should expect an increase in costs in excess of \$1 million or 7% more than last year.

The FBC unanimously recommended and President Moulton has approved a rate hold, as the University will make up the projected shortfall. The employee cost for single coverage will remain at \$67 per month and the employee cost for family coverage will remain at \$230 per month. The University's contribution to the Health & Dental Plan is \$297 per month for single coverage and \$535 per month for family coverage.

During open enrollment, eligible faculty, staff and administrative employees may enroll in the USA Health & Dental

Plan and/or add eligible dependents with coverage to be effective January 1, 2008. If you are currently enrolled in the USA Health & Dental Plan, and wish to make no change in coverage, no action is required on your part.

Information is included about SouthFlex, a plan designed to increase your disposable income by reducing the amount of taxes you pay. The Internal Revenue Service (IRS) grace period allows participants enrolled in the SouthFlex Health Care Account for the 2008 plan year to spend 2008 contributions through March 15, 2009. However, you must enroll during the November 2007 open enrollment period in order to participate during the 2008 plan year.

As your schedule permits, we encourage you to attend the third annual Employee Benefits Fair to be held November 1 and 2, 2007 to learn more about your University employee benefits. Vendor representatives and Human Resources staff will be available to answer your questions and accept your enrollment forms. Enrollment forms must be received in Human Resources no later than 4:30 p.m. on Friday, November 30, 2007.

**Please note that effective October 22, 2007, our main campus Human Resources Office will be located in suite 2200 at the USA Technology and Research Park, Building III (formerly known as the Health Services Building).**

### THE 3RD ANNUAL USA EMPLOYEE BENEFITS FAIR

**Date: 11/01/07  
THURSDAY**

**USA Main Campus  
NEW HR LOCATION  
USA Technology and Research Park,  
Building III, Suite 2200  
(Formally known as  
Health Services Bldg.)  
Time: 9:00 a.m. - 2:00 p.m.**

**Date: 11/02/07  
FRIDAY**

**USA Children's & Women's  
CWEB 2 - Atlantis Room  
Time: 8:30 a.m. - 11:30 a.m.**

**USA Medical Center  
Cafeteria  
Time: 2:00 p.m. - 5:00 p.m.**

**HUMAN RESOURCES**

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

## USA Health & Dental Plan Open Enrollment

Open enrollment for the USA Health & Dental Plan will be held the month of November, 2007. During November, eligible faculty, staff and administrative employees may enroll in the USA Health & Dental Plan and/or add eligible dependents with coverage to be effective January 1, 2008. No action is required for faculty and staff who are currently enrolled in the USA Health & Dental Plan and who wish to make no change in coverage.

All new enrollees and newly-covered dependents will be subject to the 270 day waiting period for pre-existing conditions. Pre-existing conditions are defined to include pregnancy or any disease, disorder or ailment, congenital or otherwise, whether manifested or known in any way, which existed during the 12 months prior to coverage, and/or any condition diagnosed or treated during the 12 months prior to your effective date of coverage.

Premium contributions will not change for the new plan year and are as follows:

Type Coverage	Monthly Employee Contribution
Individual	\$ 67.00
Family	\$230.00

Premiums for health care coverage are paid one month in advance and the employee contribution for biweekly-paid employees is split equally between the first two paydays of the month. The employee contribution may be exempted from federal, state and social security taxes by participating in the premium conversion program. For an employee sheltering twelve months premium, participation will reduce taxable income by \$804.00 per year for individual subscribers and \$2,760.00 per year for family subscribers. To tax shelter your contributions, complete a premium conversion card and return it to Human Resources during the open enrollment period.

Enrollment forms, premium conversion cards, booklets and other health plan information are available in Human Resources on campus and in the University Hospitals.

Remember, USA Health & Dental Plan enrollment/change request forms must be received in Human Resources no later than 4:30 p.m. Friday, November 30, 2007. The Human Resources office on main campus has a new location. The new address is:

Human Resources  
USA Technology and Research Park Bldg. III  
307 University Blvd. N. Suite 2200  
Mobile AL 36688 - 0002

## SOUTHFLEX Open Enrollment

Open enrollment for SouthFlex will be held during the month of November for the 2008 Plan Year (January 1 through December 31, 2008). You must enroll during this open enrollment period in order to participate in the 2008 Plan Year.

SouthFlex, a flexible spending accounts plan, is designed to increase your disposable income by reducing the amount of taxes you pay. The program allows the use of pre-tax dollars to pay for qualified dependent/child care expenses and eligible health care expenses, including dental expenses, which are not reimbursed by USA Health & Dental Plan or any other insurance plan.

You establish your account(s) by electing an annual amount to be deducted from your paycheck and deposited equally over 12 or 26 pay periods, depending on your monthly or biweekly pay status. Once you enroll, you will receive a welcome letter from Blue Cross and Blue Shield.

Blue Cross and Blue Shield of Alabama is the Plan Administrator for SouthFlex. Blue Cross administration of SouthFlex allows for automatic reimbursement of eligible health care expenses incurred by USA Health & Dental Plan members and provided by Blue Cross PMD providers. Additionally, Blue Cross administration allows for direct deposit of SouthFlex reimbursements.

Since the University adopted the Internal Revenue Services (IRS) provisions to the "use it or lose it rule", participants enrolled in the SouthFlex Health Care Account for the 2008 plan year will have until March 15, 2009, to spend 2008 contributions.

If you are interested in taking advantage of this employee benefit, please complete an enrollment form and return it to your Human Resources Office no later than Friday, November 30, 2007 or at the Benefits Fair to be held on November 1st and 2nd, 2007. You will receive a confirmation letter soon after your enrollment application is processed. If you have not received this information by December 14, 2007, please contact Angie James at 460-7545 to ensure your enrollment form was received.

## **TWO FOR THE PRICE OF ONE \$\$ PILL SPLITTING**

Splitting a prescription drug pill in half can result in a savings for you. This is because in some situations you may be able to take half a pill at a higher dosage and have a two-month supply for only one copay.

To do this you will need to:

- ✓ Check with your physician to determine if your medication is available in a dose double what you currently take and that your physician will approve the increased dosage for pill splitting.
- ✓ ALWAYS check with your doctor before using this method.
- ✓ Advise your pharmacist that your physician has approved you for a higher dose medication to be split. It is important that your pharmacist know that you will use this pill splitting method to save the copay.
- ✓ Your pharmacist can help you understand what drugs are appropriate and how best to use a pill splitter.

Pill splitting may not be for everyone. If you have difficulty with splitting a pill, difficulty with remembering to take your medications or any other problem with medications, you should not use this method to reduce your cost. It is not for everyone but if you want to do this and your doctor approves, you can save money on the copay.

There are some drugs that are especially easy to split and offer little possibility of a negative side effect. These drugs are for lowering your cholesterol and are referred to as statins drugs.

You can receive a free pill splitter compliments of the USA Health & Dental Plan. They are available in your office of Human Resources. **You must be a member of the USA Health & Dental Plan and sign a release to receive the free pill splitter.**

## **Getting Your Diabetic Supplies**

**Diabetic supplies** are now provided under the **Prescription Drug Card benefit only**. Please get your diabetic supplies when you purchase your medication at your local participating pharmacy. Only supplies submitted electronically by a Participating Pharmacy are covered. Diabetic testing supplies include blood glucose test strips, lancets, and meters are available only through the pharmacy and are not subject to any copay or deductible. Diabetic supplies are no longer covered under the Home Health Care Benefit. You will no longer be able to get your diabetic supplies at Home Health Care Suppliers. **Please note: Injectable and oral diabetic medications will require a copay and are subject to the deductible.**

## **FIND A DOCTOR**

Directories listing the hospitals, physicians, pharmacies, dentists and other participating providers in the USA Health & Dental Plan are online at [www.bcbsal.org](http://www.bcbsal.org) and [www.usahealthsystem.com](http://www.usahealthsystem.com). From time to time providers are added and deleted from the network. It is your responsibility to check with your provider prior to treatment to determine that the provider is still a BCBS Provider or USA Health System Provider.

## **Routine Immunizations**

Your Health Plan has been further improved to include influenza immunization coverage for employees, as well as covered family members. These immunizations are covered at 100 percent when scheduled without a physician office visit. However, should you see a physician, a copay may apply depending on the type of visit. Please refer to your USA Health & Dental Plan handbook for more information on preventive care services. This Fall, feel free to get your family's immunizations by contacting your favorite USA physicians group (Knollwood Physicians Group, Center for Women's Health, Family Medicine Center, or Midtown Pediatrics) or any other provider.

## TIAA-CREF

### ENHANCED RETIREMENT OPTIONS OFFER ADDITIONAL OPPORTUNITIES

TIAA-CREF has always provided a well-managed plan for USA faculty and staff. TIAA-CREF has recently enhanced its investment portfolio. The primary changes are the addition of the University of South Alabama microsite, TIAA-CREF Lifecycle Funds, equity/index funds, and objective advice and planning services.

#### *TIAA-CREF LIFECYCLE FUNDS: THE ONE-DECISION STRATEGY*

Does the topic of investing leave you either cold or somewhat befuddled? Perhaps you “get it,” but you just don’t have the time or interest to give investing much attention. If you like to keep things simple and would feel most comfortable knowing that professional managers are automatically adjusting your portfolio to keep it on track with your retirement time horizon, a TIAA-CREF Lifecycle Fund maybe right for you. You only need to make one decision: the year you plan to retire.

The Lifecycle Funds that have been added to the plan are:

TIAA-CREF Lifecycle Fund 2010  
TIAA-CREF Lifecycle Fund 2015  
TIAA-CREF Lifecycle Fund 2020  
TIAA-CREF Lifecycle Fund 2025  
TIAA-CREF Lifecycle Fund 2030  
TIAA-CREF Lifecycle Fund 2035  
TIAA-CREF Lifecycle Fund 2040

Each TIAA-CREF Lifecycle Fund provides a ready-made diversified portfolio. They invest in TIAA-CREF Institutional Mutual Funds whose underlying investments include stocks, bonds and real-estate investment trusts. Having this sort of diversity in your portfolio keeps you in line with one of the basic guidelines for retirement investing. While not a guarantee against loss, diversification can help to smooth out fluctuations in the market. For example, when stocks are not performing well, it is usually advisable to have a portion of your portfolio invested in bonds.

Keep in mind that Lifecycle Funds share the risks associated with their underlying investments. Please review the prospectus for a complete description of those risks.

#### *BUILDING YOUR OWN PORTFOLIO: MAKING YOUR OWN INVESTMENT CHOICES*

If you enjoy learning about investing and prefer hands-on control of your retirement allocations, then you may be a candidate for the “build your own portfolio” strategy.

When you build your own portfolio, you choose from your retirement plan’s mutual funds and annuity accounts in different asset classes. You should aim to fashion a portfolio that matches your tolerance for investment risk and your time horizon for retirement.

When deciding what you want your allocation to be, you’ll want to consider:

- Diversification
- Risk and return potential
- Your time horizon before retiring
- Other investments and savings you may have
- Readjusting your portfolio over time to keep it in line with your personal situation and goals

*To learn more about these new investment opportunities go to  
[www.tiaa-cref.org/southalabama](http://www.tiaa-cref.org/southalabama)*

This microsite is a customized online resource for tracking and managing your TIAA-CREF plan choices. You will be able to visit the site any time from anywhere for information about TIAA-CREF, investment choice explanations, retirement planning tools and more. The microsite also links you to the TIAA-CREF website ([www.tiaa-cref.org](http://www.tiaa-cref.org)), where you can update your account, monitor account performance and sign up for e-delivery of account statements, transaction confirmations and other communications. You can rest assured that all your on-line transactions are handled in a secure environment.

## FAMILY AND MEDICAL LEAVE POLICY MODIFICATION

The federal Family and Medical Leave Act of 1993 (FMLA) provides eligible employees with up to 90 days (12 work weeks) of unpaid, job protected leave annually, and requires group health care benefits to be maintained during this period the same as if the employee continued to work.

Effective January 1, 2008, the University’s policy will be revised to provide eligible employees with 90 calendar days (12 work weeks) of FML each year. At any time, employees will be eligible for 90 days minus any days taken under FMLA during the previous 12 months, provided he or she has met all eligibility requirements. This policy was unanimously recommended by USA’s Fringe Benefits Committee.

To further clarify these changes and to address specific questions you may have, a Human Resources representative will be available at the upcoming Benefits Fairs to be held November 1 and 2, 2007. You may also contact your Human Resources office for additional information. This revision will be reflected in the updated Staff Employee Handbook which will be available in early 2008.

## Air Medical Services

Provides access to air medical transport as part of the USA Health & Dental Plan

Air Medical Services, traditionally available only through expensive fee-for-service arrangements or “traveler” policies, became available May 1, 2007, under the USA Health & Dental Plan.

The value for plan members is peace of mind that they may return home for care if hospitalized while traveling.

The concept is simple. If a covered member is hospitalized more than 150 miles from home, Air Medical Services provides an air ambulance transport to a hospital near home. There are no medical necessity requirements but the transport must be hospital-to-hospital.

There are no claims to file or process.

### Air Medical Services include:

- Customer access to a toll-free medical services hotline, staffed by certified medical professionals experienced in handling emergency situations, available 24 hours a day, 7 days a week, for requesting air transport services and assistance on how and where to obtain health care;
- Air ambulance transport on an FAA certified and accredited, medically equipped fixed wing aircraft with specially trained air crew and medical teams;
- Ground ambulance transportation from the hospital to the aircraft and from the aircraft to the receiving hospital;
- Communications with local health care providers and family members to monitor the condition and make transport arrangements.

Air Medical Services may also be arranged through Case Management nurses when a member hospitalized locally needs the services of a specialty hospital more than 150 miles away.

### Eligibility and Coverage:

All employees and family members covered by the USA Health & Dental Plan are eligible for Air Medical Services. No additional enrollment or paperwork is necessary. Health plan eligibility records are electronically transferred on a regular basis. Prior to approving and providing services, AirMed International verifies current eligibility records.

When a member qualifies for an air ambulance transport, there are:

**No deductibles or copays**

**No out-of-pocket costs to the member**

### Limitations & Exclusions include:

- Valid for unlimited travel with no limit on extended travel days within the United States.
- No benefits are available if travel outside the United States exceeds 90 consecutive days and a member is hospitalized during that trip.
- No more than two air medical transports per year.
- All coverage determinations for medical benefits are subject to the terms, conditions, limitations and exclusions of the Plan.
- Areas of the world that the U.S. State Department has issued travel restrictions or declared high risk are subject to exclusion.
- A member with tuberculosis or other chronic airborne pathogens may not be transported.
- Except in extenuating circumstances, a member beyond the second trimester of pregnancy may not be transported.
- A member with simple injuries or mild illness, which can be treated by a local doctor and does not require hospitalization, does not qualify for air medical transport.

### Communications and Benefit Materials:

Air Medical Services coverage information and identification cards were mailed by Blue Cross and Blue Shield of Alabama to each subscriber's home. Educational materials suggest that members keep an Air Medical Services information card in their wallets with their Blue Cross identification card for easy access to the toll-free Air Medical Services hotline number if needed.

If you did not receive an Air Medical Services Information Card, please contact your office of Human Resources.

## UNIVERSITY OF SOUTH ALABAMA FRINGE BENEFITS COMMITTEE

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