


BenefitsUpdate

November 2009



Health and Welfare Benefits

 Advocate Health Care

Making changes: benefits enrollment for 2010

On January 1, 2010, some changes to your benefits will take effect—changes that update and refine certain features of our benefits program and may affect the options you would choose for you and your family.

To ensure that you make the best benefit choices you can, you need to first understand:

- How each option works
- The protection each option can provide, and
- The out-of-pocket costs—including associate contributions—you may pay.

This *BenefitsUpdate* outlines the changes taking effect January 1, 2010. The accompanying enrollment guide provides information and instructions that can help you complete the enrollment process and to decide any changes you may wish to make in your coverage for the coming year. Additional information is also available online at www.advocateinfoexpress.com (go to *Advocate Benefits Online*).

We believe the changes being made to our Health & Welfare Benefits for 2010 will help us maintain an appropriate balance between quality and cost in the coming year.

Benefits in balance: ensuring quality, managing cost

When it comes to benefits, balancing quality and cost can be a challenge. That's why Advocate continually monitors our benefits program:

- **To ensure quality**—We keep up with emerging trends and look for opportunities to enhance the program and how it can work for our associates, especially in promoting the health and wellness of our associates and their family members.
- **To manage cost**—We keep an eye on program expenses and look for opportunities to manage the rate at which these costs increase. Bottom line, managing these costs today is the best way to ensure that we can sustain this program in the future.

Benefits enrollment for 2010 starts Monday, November 9 and ends Monday, November 30, 2009 at 11:59 pm Central time.

Do you need to complete benefits enrollment?

The answer is “Yes!” if you want to:

- Change your current medical, dental, vision, life and accident coverage
- Make pre-tax contributions to either a Health Care or Dependent Care Flexible Spending Account (FSA)
- Sell or cash-out any PTO days for 2010
- Enroll for the first time in the Hyatt Legal Plan, and/or
- Add or drop coverage for a dependent (see copy at right).

If you are currently participating in a flexible spending account—and you want to continue to do so in 2010—you must renew your participation during this benefits enrollment. If you don't, your FSA participation will end December 31, 2009.

Succeed questionnaire no longer required to choose medical coverage

Starting with this benefits enrollment, you do not have to complete a Succeed questionnaire to enroll in your choice of an Advocate-sponsored medical plan.

Succeed will still play an important role in our Health You program, and participation will continue to be completely voluntary. Starting in January 2010, you and your spouse or domestic partner can complete the Succeed questionnaire and then be eligible to earn valuable financial incentives—including \$200 each that can be used to pay eligible health care expenses—plus other Health Rewards for participating in healthy activities.* Watch for details...coming in December 2009.

* You will be eligible to earn Health Rewards—including the annual \$200 financial award—only if enrolled in an Advocate-sponsored medical plan.

Coverage for dependent children extended to age 26

Benefits eligibility for a dependent child will be extended to the child's 26th birthday. If you have a child who is at least age 19 but not yet age 26 and who is a:

- **Full-time student** – the child will be eligible for medical, dental and vision coverage until he or she reaches age 26. The cost of this coverage will be included in your associate contribution. Verification of the child's student status will be required.
- **Non-student who qualifies as a dependent child (as defined by the IRS)** – the child will be eligible for medical, dental and vision coverage. The cost for:
 - Medical coverage will be the single associate rate (based on your years of service).
 - Dental and vision coverage will be the full premium cost of the coverage.

In both cases, the cost of coverage may be paid on a pre-tax basis. A copy of the 2008 tax return (listing the child as a dependent) will be required.

- **Non-student who does NOT qualify as a dependent child (as defined by the IRS)** – the child will be eligible for dental and vision coverage only. The cost of this coverage will be the full premium cost; this cost will apply separately to each child and will be paid on a post-tax basis.

A non-student dependent child cannot be covered under another medical plan.

Mental Health Parity Act

Starting January 1, 2010, benefits for behavioral health care and treatment of alcoholism and chemical dependency will be paid on the same basis as medical and surgical benefits and subject to the same deductibles or copays, coinsurance and out-of-pocket expense limits. This change is being made to conform to the requirements of the federal Mental Health Parity Act and applies to all Advocate-sponsored medical plans.

If you have a dependent child who will be eligible for coverage based on these extended coverage guidelines – and if you want to include this child under your coverage effective January 1, 2010 – you must complete the enrollment process.

More details are available on www.advocateinfoexpress.com (go to *Advocate Benefits Online*).

New deductibles for PPO/DRP

The annual deductibles under the PPO/DRP medical plan will increase for 2010. This increase is in response to the continuing rise in the cost of health care.

Coverage level	Current deductible	2010 deductible
Single	\$1,000	\$1,200
Associate + Child(ren)	\$2,000	\$2,200
Associate + Spouse/ Domestic Partner (DP)	\$2,000	\$2,400
Family	\$2,000	\$2,400

The deductibles for associate + spouse/DP and family coverage will both increase \$400 while the deductible for associate + child(ren) coverage will increase just \$200. We are making the deductible for this coverage level lower than the other two because it applies to only one adult.

New provider network for PPO/DRP and HDHP

Aetna Signature AdministratorsSM will replace PHCS as the provider network under two Advocate-sponsored medical coverage options: CoreSourcePPO/DRP and CoreSource HDHP. This change applies to the provider network ONLY; CoreSource will continue to administer and pay claims for these plans. Note: Be sure to use the physician search tool on Advocate Benefits Online to determine if your physician is a member of the Aetna network.

The Aetna network will offer deeper discounts on many covered services, reducing the cost of these services. Because the amount you pay for a covered medical service will be based on the initial cost of that service, you will benefit (that is, you will pay less) when that initial cost is less.

If you are enrolled in the CoreSourcePPO/DRP or CoreSourceHDHP medical plan as of January 1, 2010, you will receive a new coverage ID card. To determine if your

doctor is a member of the Aetna network, check out the Physician Search tool at www.advocateinfoexpress.com (go to *Advocate Benefits Online*).

New emergency room copay

The copay that applies to an emergency room visit will increase from \$100 to \$200 per visit under all three types of Advocate-sponsored medical coverage—PPO/DRP, HDHP and HMO. This higher copay is consistent with the ER copay under medical coverage offered by most other employers.

With this increase in ER copay, it will be more important than ever that you use an emergency room only in the case of a true emergency. Whenever you or a family needs medical care, you have a number of options to choose from including an urgent care facility, your doctor's office or a convenient-care clinic in your local drug store—each of which may provide more appropriate care (based on your medical need) than an emergency room.

As in the past, this copay will be waived if the visit leads to a hospital admission.

Single-source for all behavioral health pre-certifications

Under all Advocate-sponsored medical plans, benefits for behavioral health care services are subject to pre-certification. Currently, pre-certification is provided through:

- **Behavioral Health Certification (BHC) Unit**—for participants in the CoreSourcePPO/DRP and CoreSource HDHP medical plans, and
- **Humana Behavioral Health**—for participants in the HumanaPPO/DRP and HumanaHMO.

Starting January 1, pre-certification for all Advocate-sponsored medical plans—for all inpatient and outpatient services—will be provided through Behavioral Health Services at 800.454.6455. Failure to call may result in a reduction of benefits.

If you are enrolled in the HumanaPPO/DRP or HumanaHMO as of January 1, 2010, you will receive a new coverage ID card with the new pre-certification vendor number on it.

New copays for HMO coverage

For 2010, copays for a number of covered medical services will change under the HMO medical plan. These changes are necessary to maintain the affordability of HMO coverage, and to ensure the sustainability of this plan in the future.

Copays for doctor's office visits will be increasing as follows:

Service	Current copay	2010 copay
Primary care visit	\$20	\$30
Behavioral care visit	\$20	\$30
Specialist visit	\$30	\$40

The copays for outpatient surgery and inpatient hospital stays will change, too.

- **Outpatient surgery**—the copay will increase from \$50 and \$100 (based on whether or not the surgery is performed in an Advocate facility) to \$100 and \$200.
- **Inpatient hospital stay**—while the amount of the copay won't be changing, how the copay will be applied will be. Currently, this copay—\$100 at an Advocate facility, \$200 at a non-Advocate facility—applies per admission to each hospital stay. Starting January 1, this copay will apply each day of a hospital stay. So, if your hospital stay at an Advocate facility lasts three days, you will pay a total of \$300 in copays.

Service	Current copay	2010 copay
Outpatient surgery:		
At Advocate facility	\$50	\$100
At non-Advocate facility	\$100	\$200
Inpatient hospital stay:		
At Advocate facility	\$100 per admission	\$100 per day
At non-Advocate facility	\$200 per admission	\$200 per day

The new copays are consistent with the HMO market. The change in the inpatient hospital admission copay means that a patient's share of the cost will more closely reflect the patient's length of stay.

Annual HMO copay maximums limit your out-of-pocket costs

Annual copay maximums limit the amount you will ever have to pay out of your own pocket in a plan year under the HMO medical plan. While these maximums are going up this year (see table), the most you will pay in copays in a year will be \$2,000 if you have single coverage, or \$4,000 if you have any other coverage level.

Coverage level	Annual copay maximum	
	Current	2010
Single	\$1,500	\$2,000
All other coverage levels	\$3,000	\$4,000

This annual limit on your potential out-of-pocket expenses underscores Advocate's commitment to offer valuable financial protection while limiting the total you may pay for medical care in a year—even if you or a family member suffers a major or catastrophic illness.

New copays for mail-order drugs

Prescription benefits are an important and valuable part of your health coverage. If you choose coverage under a PPO/DRP or HMO, there is a copay for each prescription you choose based on whether the prescription is for a generic drug, a medication on the Preferred Drug List or another brand name drug.

For 2010, most prescription copays will not change; only the copays that apply to generic and other brand name drugs that are filled via mail order will increase—from \$20 to \$25 for generic drugs and from \$80 to \$110 for other brand name drugs (see table).

Type of drug	Retail copay	Mail order copay
Generic	\$15	\$25
Preferred Drug List (PDL)	\$30	\$60
Other brand name drugs	\$50	\$110

Based on the average cost of a hospital day, the \$100 per day copay represents only about 8 percent of the cost. HMO coverage pays the balance, or about 92 percent of the cost.

Mail order still will be the most cost-effective way to purchase prescription drugs.

“Mandatory mail-order” for maintenance medications

Starting January 1, all maintenance medications must be filled via mail order. You will be able to fill up to two 30-day retail prescriptions for a maintenance medication after the start of the new year. After that, benefits for maintenance medications will be paid only if you fill the prescription via the CVS/Caremark mail order service for a 90-day supply.

Maintenance medications include things like cholesterol lowering medications, drugs that help you manage diabetes or high blood pressure, oral contraceptives and antidepressants. If you’re currently taking a maintenance medication—but you aren’t currently using the CVS/Caremark mail order service—you should contact the prescribing physician soon to request a 90-day prescription.

Changing benefits for certain services under MetLife dental plans

The benefits that both MetLife dental options pay for oral surgery and endodontic services are changing January 1, 2010.

Currently, both plans pay 80% of the cost of these services after deductible – whether or not the provider participates in the MetLife Preferred Dentist Program (PDP) network. If the service is performed by a:

- Participating dentist – benefits are based on a negotiated fee.
- Non-participating dentist – benefits are based on the reasonable and customary (R&C) charge, and you pay any amount in excess of the R&C charge.

Starting January 1, both plans will pay the following coinsurance toward the cost of these services after deductible:

- 80% for:
 - simple extractions performed by either a participating or non-participating dentist, and
 - pulp caps and pulpotomies performed by a participating dentist
- 50% for:
 - pulp caps and pulpotomies performed by a non-participating dentist
 - general anesthesia
 - oral surgery (other than simple extractions), and
 - all other endodontic services (including root canals).

Benefits will continue to be based on a negotiated fee (for services performed by a participating dentist) and R&C charges (for services performed by a non-participating dentist).

More details are available on www.advocateinforexpress.com (go to *Advocate Benefits Online*).

MetLife dental options adopt ADA “standards of care”

The American Dental Associations maintains standards of care that reflect best practices among dental professionals. Starting January 1, 2010, both MetLife dental plans will pay benefits based on these standards of care. To see how this change may affect your dental coverage, take a look at these examples:

Service	Current benefit	2010 benefit
Full mouth/panoramic x-ray	<ul style="list-style-type: none"> • 1 every 36 months • Plan pays 100% • No deductible 	<ul style="list-style-type: none"> • 1 every 60 months • Plan pays 100% • No deductible
Replacement crowns, dentures, bridges, inlays, onlays and implants	<ul style="list-style-type: none"> • Every 5 years 	<ul style="list-style-type: none"> • Every 84 months or once in 10 years

You may find a maintenance medication at a lower cost at a discount retail pharmacy such as Walmart, Target or Costco. If you do, you may fill your prescription there (paying the full cost out of your own pocket) but pay less overall than the copay that would apply if you filled the prescription via the mail order service.

The ADA standards of care provide guidelines that will ensure you receive the care you need when you need it and prevent the possibility of “over care.”

If you enroll in either MetLife PDP plan for 2010, you’ll want to be sure to let your dentist know that—starting January 1, 2010—your coverage will be based on these standards of care. That way you can be sure to receive full benefits for the services your dentist performs.

More details are available at www.advocateinfoexpress.com (go to *Advocate Benefits Online*)

New opportunities for Health*e* Rewards

Starting in January 2010, all associates, eligible spouses and qualified domestic partners who are enrolled in an Advocate-sponsored medical plan—and who complete a Succeed questionnaire—will be eligible to earn valuable financial incentives, including \$200 each that you can use to pay eligible health care expenses, plus other Health*e* Rewards for participating in healthy activities.

Watch for details...coming in December 2009

2010 associate contribution rates

Associate contributions—the amount you will pay toward the cost of your medical, dental and vision coverage through automatic bi-weekly payroll deductions in 2010—are available at www.advocateinfoexpress.com (go to *Advocate Benefits Online*).

DRA funding: no change for 2010

For 2010, Advocate will again make a tax-free contribution to a Deductible Reimbursement Account (DRA) for each associate who chooses PPO/DRP coverage:

- \$600—for single coverage, or
- \$1,200—for all other coverage levels.

If you choose PPO/DRP coverage, this money will be available for you to use towards your annual deductible. In effect, you can pay the cost of any medical services you or a covered family member receives up to the first \$600 or \$1,200, depending on your coverage level, using money from Advocate. This “first dollar coverage” is a primary benefit of PPO/DRP coverage.

Remember: If you believe you can afford to pay your medical expenses out of your own pocket, you can elect during benefits enrollment to suspend your DRA for the next year and defer these dollars to use for retirement. If you suspend your DRA, you can then use tax-free dollars from a Health Care Flexible Spending Account (Health Care FSA) to pay eligible health care expenses. This suspension is irrevocable.

Questions? Call Advocate InfoExpress—800.775.4784—and talk with a Health & Welfare Benefits customer service representative. Someone is available to take your call between 8 am and 6 pm Central time, Monday through Friday.

Health*e* Rewards—part of Advocate’s Health*e* You wellness initiative—are special financial incentives that are designed to encourage and reward participation in healthy activities, including completion of a Succeed questionnaire.