

IT'S YOUR CHOICE TAKE CARE

Updated February 22, 2007 - Clarifying Wellness Coverage

Dear Value PPO participant:

Happy New Year! Your Northwestern University health care coverage under the new Value PPO plan began on January 1, 2007. Since that time, we have received several questions regarding how this plan and the Health Savings Account (HSA) work as you access health care services. This document provides some additional information to help you use the Value PPO plan effectively. Click on any of the topics listed below to go to the page containing that topic.

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Value PPO Highlights

As a reminder, the Value PPO plan is administered by Blue Cross and includes an optional Health Savings Account (HSA) feature, which allows you to pay for eligible health care services like your annual deductible, coinsurance and prescription drug costs. In addition to the HSA, some Value PPO plan members have also enrolled in a limited use Flexible Spending Account (FSA) for the reimbursement of dental and vision care expenses.

By now you should have received health care plan ID cards from Blue Cross and from Prime Therapeutics for prescription drug services. Prime Therapeutics is Blue Cross' prescription benefit manager. If you did not receive a Blue Cross ID card, you may print a temporary ID card online at www.bcbsil.com. Or, you may contact Blue Cross customer service (800 327-8497) or the Benefits Division (847 491-7513) to request that ID cards be sent to you.

Your Mellon Bank HSA

If you are participating in the Value PPO plan's HSA feature, the University's matching contribution was received by Mellon Bank by mid January and was deposited to the accounts for those members who had activated their account and will be deposited to account once the member has activated their account. Your own January payroll contributions were sent to Mellon Bank in early February. In addition, the University will be paying 2007 account setup and maintenance fees on your behalf. Subsequent monthly contributions deducted in a month will be sent to Mellon Bank by early the next month.

Before you can use the dollars in your HSA (including the University's employer matching contribution), you must activate your account. This important step allows you to use your debit card and/or checkbook to pay for eligible health care expenses. There are two ways to activate your account:

1. **Complete and return the appropriate paperwork to Mellon Bank.** After your enrollment in the Value PPO plan was recorded by Blue Cross, an HSA "welcome kit" was sent to you by Mellon Bank. This kit included a signature card and beneficiary designation form. Complete these items, including recording the account number in the top right hand corner of the card, and return them to Mellon Bank. After that, you will receive your debit card and checkbook.
2. **Go to the Mellon Bank HSA Web site.** The Mellon Bank "welcome kit" also provided your account number to view and manage your account balance and transactions online at <https://hsamember.com>. In the upper right-hand section of the Web site's home page, you will see a place to log in. Log in using your User ID, which is your 14 digit account number, and your password, which initially is your Social Security Number. You will be prompted to change your password during your initial login. Keep in mind, if you activate your account online, you will receive a debit card only. Hard copy paperwork is required if you want both the debit card and checkbook.

You may determine your account balance and view transactions online or by phone at (877 635-5472). Press menu option 1 and provide the last four digits of your Social Security number, your birthdate and zip code. After hearing the first 5 account transactions, you may enter 9 to speak with a customer service representative. Press option 3 to speak directly to a customer service representative.

Mellon Bank provides online frequently asked questions including what are eligible expenses which may be paid from the HSA.

New HSA Contribution Limits

Recent federal legislation has increased the maximum amount that may be contributed to an HSA during calendar year 2007. The new amounts are \$2,850 for those with single coverage and \$5,650 for those with family coverage. If you will be at least age 55 in 2007, an additional \$800 beyond these amounts may be contributed.

While the contribution maximums have increased, the amount that may be contributed to the HSA—through your own payroll deductions and the University’s matching contributions—remains \$1,200 for single coverage and \$2,400 for family coverage. During Open Enrollment individuals who will be at least age 55 during 2007 could elect to increase these \$1,200 and \$2,400 amounts by \$800. The University will match half this amount.

2007 HSA Contribution Limits				
Through NU	Under Age 55		Age 55 or Older (Additional \$800 for 2007)	
	You contribute (50%)	NU Contributes (50%)	You Contribute (50%)	NU Contributes (50%)
You only	\$600	\$600	\$1,000	\$1,000
	\$1,200		\$1,800	
You + family	\$1,200	\$1,200	\$1,600	\$1,600
	\$2,400		\$3,200	

	New Federal Limit (Signed into law in late 2006)	New Federal Limit (Signed into law in late 2006)
You only	\$2,850	\$3,650
You + family	\$5,650	\$6,450

Directly to Mellon Bank				
You only	\$450	\$0	\$450	\$0
You + family	\$3,250	\$0	\$3,250	\$0

Note: These individual contributions (outside of NU) may be made using the Mellon Bank check book deposit slips.

If you would like to take advantage of the new HSA contribution limits and contribute more to your account, you may do so by making deposits using the Mellon Bank deposit slips in your HSA checkbook.

Paying for Eligible Health Care Expenses

As you know, you must meet an annual deductible before the Value PPO pays for eligible health care services. This means you will have out-of-pocket costs to pay the first claims of 2007 before reaching the deductible. Here's an example to illustrate how this works. Let's assume you become ill with the flu and see your doctor for treatment. The cost for your doctor's office visit is \$75 and, since it's your first health care expense of the year, you have not paid the deductible.

- Your doctor's office should file a claim to Blue Cross for \$75.
- Because you have not yet met the deductible, BC will not pay the claim. You will receive an Explanation of Benefits (EOB) statement from the plan that tells you this, in addition to a \$75 invoice from your doctor. ***Note:** It's important that your doctor's office files that claim with BC within six months from the date of service so the plan can apply the \$75 expense to your deductible. Otherwise, the claim will be denied. You may also view EOB statements online at www.bcbsil.com.*
- When you receive the doctor's statement, you have two choices:
 - Choice one: You may pay the \$75 invoice using the dollars in your HSA; or
 - Choice two: You may pay the \$75 invoice from your other personal finances and allow your HSA account to grow by saving your payroll contributions and the University's matching contribution.

In addition, you may contact Blue Cross and arrange for their claims processing system to automatically deduct any out-of-pocket health care expenses from your HSA. Otherwise, you decide between choice one and choice two on a claim-by-claim basis.

Unlike the Health FSA, reimbursement from your HSA account is limited to the amount in your account.

For Value PPO plan members, the annual deductible is an aggregate deductible for both individuals and family, meaning that the entire family deductible must be met before benefits (coinsurance) will begin – there are no individual limits as with the Select and Premier PPO plans. And both health care and prescription drug expenses count toward your deductible and out-of-pocket maximum – you do not have separate deductibles and out-of-pocket maximums for those expenses.

Also, the entire family out-of-pocket expense limits must be met before 100% coverage is provided – there are no individual limits as with the Select and Premier Plans. The out-of-pocket expenses limits are based on your September 1, 2006 University salary.

Wellness Benefits: As you may have read in the January 2007 Benefits Division newsletter, the Value PPO plan pays 100% of your preventive care (charges do not apply to the annual deductible), with no coinsurance as long as the provided care meets the plan guidelines and the doctor codes the claim as preventive care. Services covered are: routine office visits and physician exam for an adult male, including lab and xrays; one routine office visit and one well-woman visit for an adult female, including lab and xrays; routine immunizations, including influenza, tetanus/diphtheria, and pneumococcal (Pneumovax) vaccine; and colonoscopy, sigmoidoscopy, and double contrast barium enema once every 5 years, after the age of 40.

Prescription Drug Coverage

Keep in mind that, with the new plan year and the new Value PPO plan, you must receive an original prescription from your doctor to fill prescription medications through the mail order program. This is a legal requirement, not a requirement unique to the University's health care plan.

If you take long-term maintenance medications such as for the treatment of allergies, high blood pressure or diabetes, you should consider obtaining such medications by mail order. Doing so provides cost savings to you and to the plan. If you are interested in obtaining medications by mail order, contact your doctor to obtain a new prescription before your current supply runs out. Ask your doctor for two separate prescriptions: one for a 30-day supply (to be filled immediately at a retail pharmacy) and another for a 90-day supply with three refills (to be filled by mail order and to ensure that you have the refills necessary for a full calendar year).

Prescription drug coverage for Value PPO plan members is provided by Prime Therapeutics, Blue Cross' prescription drug benefit administrator, not by Walgreens Health Initiatives (WHI). For mail order service, you will contact Prime Therapeutic's mail order facility, Prime Mail located in Dallas, Texas. You can register for mail order service online, or by mail, fax or phone. To get started, go to www.myrxhealth.com or call 877-357-7463. Prime's retail pharmacy network includes most national retail drugstore chains and many independent pharmacies. Prime offers online pharmacy search feature. The cost you pay for a medication is the amount Prime has contracted with the pharmacy. Remember, you pay the actual cost of the medication up to the deductible and then coinsurance up to the out-of-pocket maximum cost.

Mail order forms are accessible online at:

<http://www.northwestern.edu/hr/benefits/plans/health/forms.html>, or

https://www.myrxhealth.com/MyRxHealth/forms/PrimeMail_Pharmacy_Order_Form.pdf

Blue Cross has prepared a set of frequently asked questions about its prescription drug program accessible online at:

<https://www.myrxhealth.com/MyRxHealth/FAQAction.do?ACTOR=VISITOR#b4>

To determine whether a drug is on the formulary as well as quantity limitations and prior authorization requirements, visit the Blue Cross website at www.bcbsil.com.

Limited Use FSA

If you enrolled in the limited-use FSA to help pay for out-of-pocket dental and vision expenses, you will submit claims to PayFlex, the plan administrator, not to the University's Benefits Division. You can submit claims and view your account balance and transactions online at www.mypayflex.com. Or, you may call a customer service representative at 800-284-4885. Note that the debit card feature mentioned in your PayFlex communication materials will not be available to faculty and staff for 2007. PayFlex provides online frequently asked questions.

Important Benefit Plan Contacts

Benefit Topic	Provider	Web Site	Customer Service
Value PPO, including ID cards, physician and hospital services or general questions	Blue Cross Blue Shield	www.bcbsil.com	800-327-8497
Prescription Drug Services	Prime Therapeutics	www.myrxhealth.com	800-423-1973.
Prescription Drug Mail Order Services	Prime Mail Pharmacy	www.myrxhealth.com	877-357-7463
Health Savings Account (HSA)	Mellon Bank	www.hsamember.com (includes Frequently Asked Questions)	877-635-5472
Limited-use FSA	PayFlex	www.mypayflex.com (includes Frequently Asked Questions)	800-284-4885

More Information Coming Soon

The Value PPO plan is a new plan that works differently from your past University-sponsored health care plan. This could be confusing at first. It's important to us that all Value PPO members have a positive experience with the new plan. So, in the weeks and months ahead, you can expect to receive additional communication to help you make the most of your health care coverage and use the plan successfully.

