

To: UTSI Group Health Insurance Participants (PPO, POS, HMO)

Due to economic conditions and the state budget, the Tennessee State Insurance Committee, consisting of members from state government and the University of Tennessee, made two changes at its December meeting to the state health insurance plan in an effort to preserve jobs and prudently manage the state budget.

▪ **First, the previously announced rate increase will not occur in December 2008 for calendar year 2009 coverage. Your deduction and the university's contribution for your medical insurance will not change from the 2008 premium rates.**

▪ **Second, the following pharmacy copayments will become effective on January 1, 2009:**

30-34 day supply at retail pharmacies

Tier 1 (generic drugs): \$5 copayment (no change)

Tier 2 (preferred brand-name drugs): \$25 copayment (no change)

Tier 3 (non-preferred brand-name drugs): \$75 copayment (change from \$50)

90-102 day supply by mail order or at participating "mail at retail" pharmacies

Tier 1 (generic drugs): \$10 copayment (change from \$5)

Tier 2 (preferred brand-name drugs): \$50 copayment (change from \$25)

Tier 3 (non-preferred brand-name drugs): \$100 copayment (change from \$50)

BCBS PPO Plan – copay maximum

Due to the increase in pharmacy copayments, if you are a member of the Cigna POS or United Healthcare HMO, you are given an opportunity to change your health insurance enrollment to the BCBS PPO plan. For 2009, the PPO plan has an annual pharmacy copay maximum of \$1,620. The POS and HMO plans do not offer a copay maximum. If you are in the POS or HMO plans and you will pay more than \$1,620 in copays in 2009, you might consider changing to the PPO plan if it works better for you. **You must complete and turn in an enrollment/change application by January 15, 2009, for an effective date of March 1, 2009.**

Flexible Benefits – deadline changed to Monday, January 5, 2009

Because the pharmacy copayment amounts are increasing for certain options, the university also is extending the UTSI deadline for joining the Flexible Benefit Reimbursement Plan to January 5, 2009. If you have already completed a Flexible Benefit Reduction Agreement form and turned it in, you may change the contracted Medical Reduction amount by completing a new Reduction Agreement form and marking it as "Revised." For Flexible Benefit Reduction Agreement forms, please stop by the HR office.

If you have questions, please contact Pam Ledford in the UTSI Human Resources Office at ext. 504 or pledford@utsi.edu.