

New Dimensions

Benefits Newsletter for UC Annuitants

Volume 18 Number 4, Fall 2001

UC Announces Open Enrollment for 2002

Open Enrollment is your opportunity to transfer to a different medical plan, to transfer to a different dental plan (California only), or to add eligible family members to your current plans.

Open Enrollment will begin on Thursday, November 1 and end on Friday, November 30. Annuitants can make Open Enrollment changes through the Open Enrollment Action Line, and transactions must be completed by midnight (PST) on November 30. Annuitants living outside of the United States must use forms to make their changes, and the forms must be received in their Benefits or Payroll Office by 5:00 p.m. on November 30. You may not make Open Enrollment changes to UC-sponsored plans after these times.

All Open Enrollment changes will be effective January 1, 2002.

Benefits Information

In late October, you will receive an Open Enrollment announcement along with a personalized statement showing your current coverage. The announcement will include highlights, comparisons of medical plans, and premium plan costs for 2002. (LANL plan costs will be sent under separate cover, as soon as they are available.)

If you want to make a change, or learn more, detailed information will be available by late October on the special HR/Benefits Open Enrollment website (www.ucop.edu/bencom/oe). This website will include general Open Enrollment information as well as descriptions of plan changes for 2002, side-by-side comparisons of plan benefits, prescription drug formularies, and instructions and worksheets for making changes by telephone.

If you don't have Internet access, you can have

printed materials sent to you by returning the postcard included in your Open Enrollment mailing. If you want to request additional printed materials, please do so as early as possible to give yourself time to read the materials and to make any changes. To guarantee timely delivery, UC will accept postcard requests only through November 23. (Please note: Plan-specific materials will be available from the plans by the calling the plan directly.)



Your Benefits Fair is another excellent source of benefits information. It's a great opportunity to ask questions of plan representatives. See page 8 for Fair dates.

Year 2002 Plan Highlights

In the face of skyrocketing costs throughout the healthcare industry, UC has had to make some difficult choices to keep costs as low as possible. In 2002 you will see increased medical plan copayments and other changes that were made to contain annuitant monthly premiums.

Also, UC is extending indefinitely its 2001 pilot program that allows transfer among California HMOs at any time during the year. The program has helped to address concerns about medical plan provider/network disruptions.

In addition to the medical plan changes, there are some benefit improvements in the dental plan. You can find more information about plan changes in the Open Enrollment mailing and on the HR/Benefits website.

Remember that Open Enrollment only comes once a year! So this year, be sure to review the information carefully and consider any recent changes in your life that may affect your insurance needs. The choice is yours.

UC's Medical Plans: Truly a Bargain for Your Health

(Editor's Note: For an in-depth look into the current cost environment of U.S. healthcare and medical insurance, you may want to read the article, "Managed Care Crisis," on page 3 of the Summer 2001 issue of New Dimensions, which was mailed to UC annuitants recently. The newsletter is available online at www.ucop.edu/bencom/newsletters.html.)

“The good news for UC members,” said Lily Pang, UC Assistant Director of Health and Welfare Benefits Planning, in our summer article on healthcare costs, “is that our program is still very good. We offer a competitive package of benefits, and our coverage is still quite favorable...”

The Open Enrollment announcement material that you've received or will receive shortly serves to confirm Pang's comments. Against the backdrop of soaring health insurance costs nationwide, the University has been able to maintain a balance between holding down employee and annuitant premium costs and increasing copayments.

For example, in UC's California health maintenance organization (HMO) medical plans, physician office visit copayments will change from \$5 per visit to \$10 per visit in 2002, emergency room copayments will increase by \$15 (\$25 for Western Health Advantage), and there will be larger prescription drug copayments. However, most annuitants in California have at least one HMO plan available to them at no monthly premium costs (all coverage levels).

The healthcare bargain that we continue to enjoy at UC is really remarkable when you take note that health insurance premiums during the past year rose 11% nationally, according to a report released by the Henry J. Kaiser Family Foundation and the Research and Educational Trust on September 6. That increase outpaces the overall inflation rate of 3.3%, and is the largest premium jump since 1992, the report said. The report further suggested that employers would be likely to pass on significant premium costs to employees and annuitants in 2002.

At the beginning of the University's 2002 medical plan negotiations cycle, indications were that plan

premium increases for the coming year would reach double digits—far exceeding anticipated state budget revenues that would fund an aggregate 9% increase in UC's employer premium contributions. The prospect of out-of-pocket premium costs for annuitants in many plans loomed for the first time in years. These projections mirrored the ongoing nationwide premium spiral, fueled primarily by run-away prescription drug cost hikes, the price of new technologies, costs of healthcare for an aging U.S. population, and a leveling off of competition for new enrollees among medical insurance companies that are weathering the financial strain of skyrocketing utilization costs.

However, early projections proved overstated for the University owing to a number of favorable factors, including the traditionally relatively lower cost of healthcare in California resulting from the effectiveness of the HMO model here. The large memberships that the UC population affords its medical plans, and positive underwriting risk analyses based on the copayment increases that have been announced for 2002, are also keeping cost increases low.

The value of UC medical plan coverage is truly dramatic, and most evident when we consider the bargains for healthcare that they provide. For example, consider the general healthcare market cost of typical hospitalization for three fairly common services:

- \$11,000 to \$16,000 for child delivery and postpartum hospitalization, depending on mode of delivery;
- \$10,000 on average for an appendectomy;
- \$75,000 to \$95,000 or more for an open heart bypass procedure.

In 2002, a member of a California HMO, UC Care, or a BluePremier Plan will have only a \$250 copayment for each of these hospitalizations. That is less than the charge for many home or auto repairs. It's quite a bargain.

- The bill for that routine visit to your doctor's office to check on a cold or flu, have an annual physical exam, or have an outpatient procedure can range from \$125 to \$180, depending on the

type of visit; in 2002, UC members of California HMOs will have a \$10 copayment for each visit.

- Prescription drug costs, which have risen a staggering 12% to 80% in the past year, remain affordable under the copayment structure of UC's medical plans. For many UC members of California HMOs in 2002, their \$10 copayment will provide a month's supply of a generic drug that costs the plan between \$100 to \$150; a \$20 copayment will provide a month's supply of a more costly brand name drug.

What is as dramatic as these representative bargains for services is that many UC plan members pay no monthly premiums. In 2002, the University will pay the entire California monthly amount for all but one HMO, and 97% of the premium for the plan in which members do have a monthly cost.

Moreover, the large size of UC membership in most plans, coupled with the copayment structure modifications for 2002, continue to hold total premium costs for many plans below the national average.

According to the September 6 Kaiser Family Foundation report, the current average monthly medical plan premium nationwide is \$221 for singles and \$588 for families. In 2002, UC's (the employer) monthly premiums for California HMOs will range from \$176.06 to \$190.79 for singles, and from \$475.36 to \$515.16 for families, and UC will pay the full premium costs of all but the most expensive of these plans.

Despite the good news for 2002, however, the University almost inevitably faces cost increases again in 2003 and beyond. To maintain its tradition of

providing a health and welfare benefits package that retains a high industry standard will require difficult and complex planning. "Offering good, cost-effective benefits choices for faculty, staff, and annuitants is and always has been our focus," says Judith W. Boyette, UC Associate Vice President for Human Resources and Benefits.

For the future, Michele French, Executive Director of Workforce Planning at UC, pointed out that the premium and copayment cost issue is a challenge to every California employer. "It's a statewide, and ultimately a nationwide, problem," she said, adding that UC specifically, and California generally, "are fairing better than others because we are starting from a lower baseline, but we are seeing the same relative upward cost creep." The important message, she said, "is that we have had an incredibly good deal for the last 20 years, but we are now being caught up in something that is happening statewide," as well as nationwide.

Many solutions might be viable in the future, French suggested. One is a more flexible approach to medical coverage in which an individual has a degree of core coverage, with optional levels of copayments, deductibles, and prescription drug expense alternatives.

French cautioned that an approach such as this is only under preliminary study presently. The guiding principle, though, as we move forward into the new century, is to ensure that health coverage remains a bargain for the University community.

(More news specific to those covered by Medicare is on page 10.)

Social Security Benefits

Social Security beneficiaries and Supplemental Security Income (SSI) recipients will receive a 2.6% cost-of-living (COLA) increase for 2002. Automatic COLAs became a feature of Social Security in 1975 and are based on the rise (or fall) in the Consumer Price Index during the preceding year.

Watch for February *New Dimensions*

This issue of *New Dimensions* will include in-depth articles about:

- medical plan maximums for each plan and whether these maximums are inclusive of prescription drug costs and
- your prescription drug benefits for 2002.

Plan Highlights for 2002

Health and Welfare Plans

UC continues to offer California and LANL annuitants an array of health and welfare plans that give a high degree of insurance coverage at affordable costs. This article provides a brief overview of changes for the coming year. For detailed plan changes, please see the UCbencom website. For details and materials specific to a plan, call that plan.

California Only—Annuitant Monthly Plan Costs

With all of our medical plans, it was necessary to make changes in order to contain annuitant monthly premiums. You will notice that copayments are higher than in the past, in addition to other changes.

California Medical Plans

Please note that UC is extending indefinitely its 2001 pilot program that allows transfer among California HMOs at any time during the year. The program has helped to address concerns about medical plan provider/network disruptions.

Non-Medicare Plans

Core and High Option

No plan changes.

UC Care

Tier 1:

- \$10 copayments increase to \$20 for office visits and general outpatient visits.
- \$50 emergency room copayment increases to \$75 (doesn't apply if admitted to the hospital).
- \$250 copayment is added for each hospital admission.
- Out-of-pocket maximum increases from \$1,000 to \$1,500 (individual) and from \$3,000 to \$4,500 (family).

Tier 2:

- \$40 copayments increase to \$50 for office visits and general outpatient visits.
- \$50 emergency room copayment increases to \$75 (doesn't apply if admitted to the hospital).

Tier 3 and out-of-area:

- \$50 emergency room charge increases to \$75 (doesn't apply if admitted to the hospital).

Tiers 1, 2, and 3: Chiropractic and acupuncture copayments increase from \$10 to \$15.

Prescription drugs, all levels:

- Retail: \$10 generic drug copayment increases to \$15; \$20 brand name copayment increases to \$25; \$40 for non-formulary.
- Mail Order: \$25 generic drug copayment increases to \$30; \$35 brand name copayment increases to \$50; \$80 for non-formulary.

California HMO Plans—Health Net, Kaiser Permanente, PacifiCare, and Western Health Advantage (WHA)

Most copayments increase; hospital copayment is added. For example:

- \$5 copayments increase to \$10 (including office visits and general outpatient visits).
- \$35 (\$25 WHA) emergency room copayment increases to \$50 (doesn't apply if admitted to the hospital).
- \$250 copayment is added for each hospital admission (including admission for mental health and substance abuse care).
- Annual copayment maximum increases for all plans (except Kaiser).

Kaiser Permanente—California

Certain benefits are increased related to emergency contraceptives and intrauterine devices, post-mastectomy brassieres, and therapeutic contact lenses for aniridia.

Prescription drugs

California HMO plans (except Kaiser):

- Retail: \$5 generic drug copayment increases to \$10; \$10 brand name drug copayment increases to \$20; \$35 for non-formulary drugs.
- Mail order: \$10 generic drug copayment increases to \$20; \$20 brand name copayment increases to \$40; \$70 for non-formulary drugs.

Kaiser Permanente:

- \$5 retail drug payment increases to \$10 (generic) and \$20 (brand name).

Service area changes

Butte, Humboldt, Lake, Sutter, and Yuba counties will no longer be in the service area for Health Net or PacifiCare. In addition, Amador, Glenn, Mariposa, Mendocino, Merced, and Napa counties, and parts of Madera and North El Dorado counties will no longer be in PacifiCare's service area. Trinity will no longer be in Health Net's service area. WHA will add Colusa county.

Kaiser Permanente—Mid-Atlantic

Most copayments increase, similar to those noted on the previous page for California HMOs (\$5 to \$10 for office visits; \$35 to \$50 for emergency room; new \$250 copayment for each hospital admittance; \$5 to \$10 for prescription drugs in Kaiser Permanente facility; \$15 to \$20 at participating pharmacy; \$3 to \$8 for mail order).

PacifiCare of Nevada

No plan changes.

Service area changes: Washoe county is excluded from the plan's service area.

Medicare Plans

Core and High Option

No plan changes.

UC Care—Same as UC Care highlights on previous page.

California HMO Plans for Medicare Enrollees—Health Net/Seniority Plus, Kaiser Permanente/Senior Advantage, PacifiCare/Secure Horizons, Western Health Advantage/WHA Care+

Most copayments increase; hospital copayment added. For example:

\$5 copayments increase to \$10 (including office visits and general outpatient visits).

Emergency room copayment increases to \$50 (doesn't apply if admitted to the hospital).

\$250 copayment (\$200 for Kaiser) is added for each hospital admittance and other inpatient care.

Health Net/Seniority Plus also covers preventive inoculations at no charge and limits the hospitalization copayments to a maximum of three per individual per year.

Kaiser Permanente/Senior Advantage also increases certain benefits related to emergency contraceptives and intrauterine devices; therapeutic contact lenses for aniridia (absence of iris). Benefits will change for lens options.

PacifiCare/Secure Horizons also covers inoculations for flu and pneumococcal pneumonia at no charge; adds acupuncture exams with \$10 copayment; limits the hospitalization copayments to a maximum of three per individual per year.

Western Health Advantage/WHA Care+ The annual copayment maximum increases from \$750 to \$1,000 (individual) and from \$1,500 to \$3,000 (family).

Prescription drugs

California HMO plans (except Kaiser):

- Retail: \$5 generic drug copayment increases to \$10; \$10 brand name drug copayment increases to \$20; \$35 for non-formulary drugs.
- Mail order: \$10 generic drug copayment increases to \$20; \$20 brand name drug copayment increases to \$40; \$70 for non-formulary drugs.

Kaiser Permanente:

- \$5 retail drug copayment increases to \$10 (generic) and \$20 (brand name).

Service area changes:

Health Net/Seniority Plus: El Dorado, Marin, Northern San Mateo, San Joaquin, Stanislaus, and Ventura counties are excluded.

PacifiCare/Secure Horizons: El Dorado, Imperial, Marin, Napa, San Francisco, Solano, Sonoma, and Tulare counties and parts of Alameda, Butte, Contra Costa, San Joaquin, San Mateo, Santa Barbara, and Ventura Counties are excluded.

Kaiser Permanente—Mid-Atlantic/Senior Advantage

Membership is restricted to current enrollees and members of the Kaiser Mid-Atlantic Non-Medicare Plan who reach age 65 and become eligible for Medicare Parts A and B. No plan or service area changes.

continued on page 6

Kaiser Umbrella (for members living outside of the Kaiser Permanente California and Mid-Atlantic areas)

Plan membership is restricted to current enrollees. For information on plan changes, members should contact the appropriate Kaiser Permanente facility.

PacifiCare of Nevada/Secure Horizons

No plan or service area changes.

California Dental Plans

Delta Dental and PMI

Both plans now cover pit and fissure sealant through age 9 for primary molars and age 15 for secondary molars (previously ages 8 and 14 respectively). PMI coverage for fluoride treatment is covered through age 18 (previously through age 17).

Legal Plan

Signature LegalCare is closed to new enrollees. No rate changes.

The benefit for estate planning, wills, and trusts will be expanded from one to four items per benefit year for single/family coverage.

Establishing guardianship or conservatorship of either an adult or minor will be covered.

Accidental Death & Dismemberment (AD&D)

(Annuitants may enroll at any time.) No plan or rate changes

LANL Medical Plans

BluePremier HMO—Medicare and Non-Medicare Plans

- \$15 copayments increase to \$20 (including office visits and general outpatient visits).
- \$35 emergency room copayment increases to \$75 (doesn't apply if admitted to the hospital).
- \$250 copayment is added for each hospital admittance.
- Annual copayment maximum is removed.

Prescription drugs:

Retail: \$25 copayment for brand name drugs increases to \$30; \$40 to \$45 for non-formulary; (generic remains \$15).

Supply limit for one-month period: One copayment

for a 30-day or 120-unit supply (whichever is less). If more than 120 units are needed for a 30-day supply, another copayment will apply to each additional 120 units (or portion) purchased.

Mail order for a 30-day or 120-unit supply (whichever is less): \$25 copayment for brand name drugs increases to \$30; \$40 to \$45 for non-formulary; (generic remains \$15).

Supply limit for three-month period: two copayments (see above) for a 31–90-day or 360-unit supply (whichever is less). If more than 360 units are needed for a 90-day supply, two more copayments will apply to each additional 360 units (or portion) purchased.

- The member will pay the applicable prescription drug copayment for each package regardless of the days' supply it represents.
- A new drug formulary will apply.
- Nonprescription enteral nutrition products are covered with a 50% copayment (prior authorization required).

Service area changes:

- McKinley county is added to the service area.

BluePremier POS—Medicare and Non-Medicare Plans

For Tier 1: \$15 copayments increase to \$20 (including office visits and general outpatient visits).

For Tiers 1, 2, and Worldwide benefits: \$50 emergency room copayment increases to \$75 (doesn't apply if admitted to the hospital).

Prescription drugs—both in-area and worldwide benefits:

- Same as prescription drug benefits for BluePremier HMO.
- Nonprescription enteral nutrition products are covered with a 50% copayment (prior authorization required).

Core Plan—Medicare and Non-Medicare Plans

No benefit changes.

Kaiser Permanente—Mid-Atlantic

Most copayments increase (from \$5 to \$10 for office visits; \$35 to \$50 for emergency room; new \$250

copayment for each hospital admittance; \$5 to \$10 for prescription drugs in Kaiser Permanente facility; \$15 to \$20 at participating pharmacy; \$3 to \$8 for mail order).

Kaiser Permanente Mid-Atlantic—Medicare Plan Senior Advantage

Plan membership is restricted to current enrollees and members of the Kaiser Mid-Atlantic Non-Medicare Plan who reach age 65 and become eligible for Medicare Parts A and B. No benefit or service area changes.

Kaiser Umbrella (see note on page 6)

Plan membership is restricted to current enrollees. For information on plan changes, members should

contact the appropriate Kaiser Permanente facility.

PacifiCare of Nevada—Non-Medicare Plan

No benefit changes. Washoe County is excluded from the plan's service area.

PacifiCare of Nevada Medicare Plan Secure Horizons

No benefit or service area changes.

LANL Dental Plan

Delta Dental

Pit and fissure sealant is covered through age 9 for primary molars and age 15 for secondary molars (previously ages 8 and 14, respectively).

UC Ratings of Care— 2001 Survey of Member Satisfaction

Earlier this year, DSS Research (DSS) conducted a member satisfaction survey of the UC-sponsored medical plans. DSS is an independent research firm located in Arlington, Texas.

The survey, which measured member satisfaction with the medical plans during the calendar year 2000 was sent to randomly selected members of the

UC-sponsored medical plans. The survey population included UC employees, annuitants, and their family members who were 18 years of age or older as of December 31, 2000, and whose primary coverage was through a UC medical plan (rather than Medicare).



Percent of members who responded favorably about...

	Overall Health Care	Overall Health Plan	No problems getting a referral to a specialist	Care for an illness or injury as soon as wanted	No problems getting help from the health plan's customer service	No complaints or problems written to health plan
BluePremier HMO NM	88.5%	75.6%	65.4%	79.8%	51.3%	73.1%
BluePremier POS NM*	90.1%	74.1%	73.0%	85.7%	37.7%	65.2%
Health Net	86.8%	79.8%	64.3%	75.1%	44.6%	82.8%
Kaiser Permanente	89.8%	86.8%	73.8%	83.9%	60.1%	92.3%
PacifiCare	87.6%	80.1%	65.8%	77.1%	48.0%	84.6%
UC Care	86.2%	70.5%	58.4%	73.8%	40.5%	72.7%
WHA	91.4%	84.5%	70.2%	80.3%	44.7%	89.6%
# of Respondents	4814	5352	3117	2378	2177	5430

* Includes BluePremier POS member living in the HMO service areas.

Survey results are based on responses from more than 5,400 members of the California HMOs, UC Care, and BluePremier Plans. For more in-depth

information on plans and providers in California, go to Healthscope at: www.healthscope.org.

Open Enrollment Fairs for Annuitants

Open Enrollment will be held November 1 through 30, 2001. Here is the schedule for Open Enrollment Fairs—your opportunity

to meet with insurance carriers and UC staff regarding UC-sponsored plans and the benefits they offer.

New Mexico, Arizona, and Nevada Fairs

- Friday, Nov. 2** JB's Restaurant
10:00–12:00 10801 Grand Ave.
623-972-8165 Sun City AZ 85351
- Monday, Nov. 5** Center for the Arts Theatre
9:00–11:00 No. NM Community College
505-747-2100 921 Paseo de Onate
Española, NM 87532
- Monday, Nov. 5** Radisson Santa Fe
2:00–4:00 750 N St. Francis Drive
505-992-5800 Santa Fe, NM 87507
- Wednesday, Nov. 7** Duane Smith Auditorium
4:00–6:00 1300 Diamond Drive
505-663-2510 Los Alamos, NM 87544
- Thursday, Nov. 8** Hoffmantown Conf. Center
10:00–12:00 (Church)
505-828-2600 8888 Harper Dr. NE
Albuquerque, NM 87111
- LANL Retirees only—by Invitation**
- Friday, Nov. 16** DOE Building
10:00–12:00 Great Basin Room
702-295-3521 232 Energy Way
Las Vegas, NV 89030
- All Other Nevada Retirees**
- Friday, Nov. 16** Suncoast Hotel and Casino
2:00–4:00 9090 West Alta Drive
702-636-7111 Las Vegas, NV 89145

California Fairs

- Tuesday, Oct. 30** UCSF Millberry Union
1:00–3:00 500 Parnassus Avenue
415-476-9000 San Francisco, CA 94143
- Wednesday, Oct. 31** Four Points Hotel
9:00–12:00 5115 Hopyard Road
925-460-8800 Pleasanton, CA 94588
- Thursday, Nov. 1** UCSC Inn and Conference
8:30–10:30 Center, (Holiday Inn)
831-426-7100 611 Ocean Street
Santa Cruz, CA 95060
- Tuesday, Nov. 6** Waterfront Plaza Hotel
8:30–11:00 Jack London Square
510-836-3800 10 Washington Street
Regatta Room
Oakland, CA 94607
- Thursday, Nov. 8** Veterans Memorial Center
1:00–4:00 203 E. 14th Street
530-757-5664 Davis, CA 92697
- Thursday, Nov. 15** Terrace Rooms Commons
8:30–11:30 A,B,C &D
909-787-3215 UC Riverside
Riverside, CA 92521
- Friday, Nov. 16** Radisson Hotel
8:30–11:00 1111 E. Cabrillo Blvd.
805-963-0744 Santa Barbara, CA 93103
- Monday, Nov. 19** UCLA Faculty Center,
8:30–11:00 California Room
310-825-0877 480 Charles E. Young Drive
Los Angeles, CA 90095
- Tuesday, Nov. 20** Radisson Hotel
9:30–11:00 3299 Holiday Court
858-453-5500 La Jolla, CA 92037
- Wednesday, Nov. 21** UC Irvine University Club
1:30–3:30 E.Peltason@ Los Trancos
949-824-6400 Irvine, CA 92697

Holiday Reminder

UC HR/Benefits offices will be closed on the following dates during the holiday season:

Veteran's Day: Monday, November 12

Thanksgiving: Thursday, November 22 and Friday, November 23

Christmas: Monday, December 24 and Tuesday, December 25

New Year's Day: Monday, December 31 and Tuesday, January 1, 2002

Please note that retirement income checks for the month of December will be dated January 1, 2002. Checks will be mailed on Friday, December 28, and Surepay deposits will be posted on Wednesday, January 2, 2002.

Delta Dental

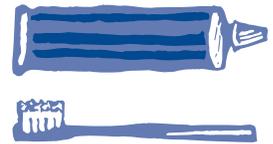
Are you about to schedule your next dental check up? If you're a member of Delta Dental, clip-out the following, and keep it with your calendar.

Delta Dental Overview

If you or your family member schedules more than two cleanings per year—or if you receive more than one oral exam during the year—be sure that both you and your dentist (or the appropriate dental office staff member) clearly understands what Delta Dental will cover.

- In general, one oral exam will take place at one of the cleanings.
- You can schedule a second cleaning. (Note: You may be eligible to receive more than two cleanings if dental necessity is shown.)
- Up to two non-routine oral exams are available each year (for example, an exam related to injury, infection, toothache, or evaluating oral surgery needs).

Remember, to keep that perfect smile, schedule one oral exam and two cleanings with your Delta dentist each calendar year.



403(b) Plan and DC Plan UC Account Distributions on the Internet

In September, a new feature was added to UCbencom—UC Account Distributions. Participants can now use the Internet to request a distribution from their UC-managed accounts in the Defined Contribution Plan (DC Plan) and the Tax-Deferred 403(b) Plan. You can find an icon link to this new feature on the UC HR/Benefits homepage (www.ucop.edu/bencom).

This marks a milestone in the HR/Benefits department's effort to deliver more efficient, cost effective, and responsive services to employees and retirees. The full cycle of UC-managed account transactions

is now available on the Internet—from enrollment to transfers and, now, distributions. If you do not have Internet access, the Distribution Line on bencom.fone, UC's interactive telephone service, continues to be available 24 hours a day, 7 days a week, at 1-800-888-8267.

For the most part, the UC Account Distributions feature will be used by participants after they leave UC employment or when they retire. You can find more information about your distribution options on UCbencom or by calling UC HR/Benefits Customer Service at 1-800-888-8267.

Medical Provider Disruptions and Service Area Pullouts

Your best resources for information are your personal physician and your medical plan. Often, your doctor can alert you to possible changes to your plan. Your plan will let you know when there are anticipated changes in provider groups or service areas. They will also inform you of your options, should you be faced with such changes. When you have a particular question about your plan or coverage, you are encouraged to call your plan directly.

In the last few years, medical provider disruptions and service area changes have alerted UC employees and annuitants to the impact of the managed care crisis in America.

PacifiCare and Health Net recently announced they will discontinue their Medicare plans in several California counties, effective January 1, 2002. These are the latest in a series of medical provider disruptions to affect the UC community during the last few years. These circumstances make it important for UC members to remain in contact with their medical providers and plans and to watch for announcements from HR/Benefits for updates about their coverage.

Health Net has announced the discontinuation of its *Seniority Plus* Medicare plan in Marin county and the northern part of San Mateo county as of January 1, 2002. The complete list of counties in which Health Net will no longer provide coverage to Medicare enrollees by the end of 2001 is El Dorado, San Joaquin, Marin, Stanislaus, Ventura, and parts of San Mateo. The *Seniority Plus* pullout in these areas affects 211 UC members and their family members.

On September 24, 2001, PacifiCare announced that it would discontinue its *Secure Horizons* Medicare plan in eight counties, and partially withdraw from seven more on January 1, 2002. Counties affected are Alameda (partial), Butte (partial), Contra Costa (partial), El Dorado, Imperial, Marin, Napa, San Francisco, San Joaquin (partial), San Mateo (partial), Santa Barbara (partial), Solano, Sonoma, Tulare and Ventura (partial). These withdrawals

affect 232 UC members and their families who are currently enrolled in *Secure Horizons*.

UC members have seen their HMO choices, both non-Medicare and Medicare, dwindle in recent years. UC members can choose other plans such as UC Care, but many members prefer the low cost and security of an HMO plan. In many cases, the HMO plans have provided members with their medical coverage for many years. Many members, particularly those in Medicare, are now without an HMO plan to choose.

Health Net and PacifiCare will alert UC members currently in *Secure Horizons* or *Seniority Plus* in the affected counties that they are impacted by the announced pullouts. Those who do not make changes to their medical coverage during the 2002 Open Enrollment will be placed automatically into UC Care. Members are encouraged to contact the plans directly with questions. They can also call UC Customer Service (1-800-888-8267) for more information about alternate Medicare coverage in their areas. On campuses where the health care facilitator program has been implemented, the health care facilitator is also available to help members deal with various health plan issues.

In the last few months, UC has tried to describe why we are seeing these changes in our health care system. Medical provider disruptions and service area pullouts are symptoms of the crisis in managed care throughout the nation, not just California. In the summer issue of *New Dimensions*, our Managed Care Crisis article explained some of the background for these changes to managed care. You can view the article by going to UCbencom (www.ucop.edu/bencom).

Medical plans and medical groups are struggling to survive. Medical provider disruptions and service area pullouts are decisions they reluctantly make to sustain their business. The reality is that changing economic factors leave them no



What you can do

If you are currently enrolled in a UC HMO and are faced with a medical provider disruption, you should do the following:

- Call the plan to find out what the change is and when it will go into effect. Also, ask the plan what your options are, should your doctor or medical group no longer contract with the plan.
- Call your doctor or medical group and ask them if they have a contract with another UC HMO in your service area. If they do and you would like to stay with your current doctor and/or medical group, ask them whether or not they will take you as a patient under the other HMO. Then, apply for an HMO transfer under UC, by calling UC Customer Service at 1-800-888-8267.
- If there is no other HMO available to you to keep your current doctor or medical group, call the plan to find out what other doctors or medical groups are available to you in the area. They can advise you and assist you in making the change to a new primary care physician (PCP).
- You may also want to call UC Customer Service for other options available to you.

If you are currently enrolled in an HMO and are faced with a service area pullout, you should do the following:

- Call the plan to find out when the change will take effect and watch for notices in the mail.
- Call UC Customer Service to find out what alternatives are available to you.
- If you decide to change plans, do so by submitting the appropriate form to UC HR/Benefits in Oakland. If you do not select another plan, California members will be placed into UC Care (for Los Alamos National Laboratory employees and annuitants, the default plan will be different).

choice. Rising costs and evaporating profit margins have even forced some medical groups and medical plans to close or to limit their services.

UC HR/Benefits will continue to provide information about plan provider disruptions and service area pullouts as the information becomes available. Watch for updates in our newsletters and announcements. When a disruption or service area pullout affects you, UC will work with your plan to provide information to you about the changes and how they may affect you.

For those with Internet access, the UCbencom web site (www.ucop.edu/bencom) can be the best source for the latest announcements. You can also access plan links and telephone numbers, as well as providers through UCbencom.

Your medical plan coverage is an important benefit of belonging to the University of California community. UC HR/Benefits is committed to providing quality medical services to our employees and annuitants. As part of that commitment, we work continuously to mitigate the problems you may face with disruptions, pullouts, and other issues.

Social Security Medicare Part B Premium in 2002

Social Security recently announced that the new Medicare Part B premium in 2002 will be \$54.00 a month—an increase of \$4.00 over the current year's (2001) premium. Social Security will deduct this amount (\$54.00) from your Social Security payment in 2002. If you are enrolled in Medicare, please note that this does not affect your monthly plan cost (if any) for your UC-sponsored medical plan. In some cases, however, you may receive a larger reimbursement from UC (or PERS) for the Medicare Part B premium. Please check your retirement check or Surepay statement in January 2002 to verify the exact amount of the reimbursement you will receive from UC (or PERS). Medical plan rate sheets showing the reimbursement amount will be available on the Internet at www.ucop.edu/bencom/oe and at all of the Open Enrollment Fairs.

The Women's Health and Cancer Rights Act— Annual Notification of Rights

The Women's Health and Cancer Rights Act of 1998 (Women's Health Act) requires group medical plans and insurance companies that provide coverage for mastectomies to also provide certain related benefits or services. It also requires that we give annual notice of your rights under this law.

The UC-sponsored medical plans provide coverage to comply with the Women's Health Act.

Under the Women's Health Act, a group medical plan member who receives a mastectomy and elects breast reconstruction in connection with the mastectomy is entitled to coverage for the following:

- Reconstruction of the breast on which the mastectomy has been performed;
- Surgery and reconstruction of the other breast to produce a symmetrical appearance; and

- Prosthesis and treatment of physical complications at all stages of mastectomy, including lymphedemas.

The coverage for the mastectomy-related services and benefits required under the Women's Health Act applies to any employee, annuitant, or eligible family member covered under a UC-sponsored medical plan. Coverage is to be provided in a manner determined in consultation with the plan member's attending physician and is subject to the same deductibles, coinsurance, and copayments that apply to other medical or surgical benefits covered under the plan. If you have questions, please contact your medical plan carrier or refer to your carrier's plan booklet for specific coverage.



Calvert Group Investment Fund Options

Effective September 2001, 403(b) Plan participants may invest in a wider array of socially responsible mutual funds managed by the Calvert Group. Since 1985, 403(b) Plan participants have had only one socially responsible investment fund option through Calvert—the Calvert Social Investment Fund Balanced Portfolio (formerly the Managed Growth Portfolio). Beginning in September, participants were able to transfer money among all 11 socially responsible funds currently managed by Calvert. The 10 new funds that will be available for investment are:

- Calvert Large Cap Growth Fund
- Calvert Social Index Fund™
- Calvert Social Investment Fund™ Equity Portfolio
- Calvert Social Investment Fund™ Enhanced Equity Portfolio
- Calvert Capital Accumulation Fund
- Calvert New Vision Small Cap Fund

- Calvert World Values International Equity Fund
- Calvert Social Investment Fund™ Technology Portfolio
- Calvert Social Investment Fund™ Bond Portfolio
- Calvert Social Investment Fund™ Money Market Portfolio

The Calvert Group has been a leader in the socially responsible investment field for nearly 20 years. Teams of research analysts—experts in international human rights, labor relations, environmental policy, and community investment—rigorously screen potential investments based on the company's social record; for example, product safety, the environment, workplace practices, and community relations, as well as intensive financial analysis.

For more information on the newly available socially responsible funds, call Calvert directly at 1-800-368-2745 or visit their website at www.calvertgroup.com.

UC Retirement Savings and Investment Plan News

UC-Managed Investment Funds

Performance Results

Since July 31, 2001, the UC-managed investment funds have generated the following monthly unit values and interest factors:

At:	The unit value was:			The interest factor was:		
	Equity	Bond	Multi-Asset	Savings	ICC	Money Market
July 31, 2001	\$280.934	\$128.613	\$29.498	.4887%	.5690%	.3464%
August 31, 2001	266.326	130.321	29.135	.4762	.5709	.3142
September 30, 2001	245.271	132.128	28.554	.4523	.5542	.3063

Rates of Return as of September 30, 2001

	1-year	Annualized 5-year	10-year
Total Return Funds			
Equity	-28.72%	9.69%	12.26%
Bond	14.42	10.73	10.91
Multi-Asset	-6.28	8.53	9.33
Income Funds			
Savings	5.92%	6.06%	6.54%
Insurance Company Contract	6.93	7.19	7.69
Money Market	5.33	5.60	5.13

The investment returns shown here represent past performance and are not necessarily indicative of future results.

The UC-managed investment funds are valued monthly, around the tenth of each month.

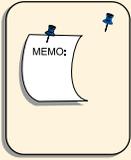
New unit values and interest factors can be obtained on our website (www.ucop.edu/bencom) or by calling UC's interactive telephone service, [bencom.fone \(1-800-888-8267\)](tel:1-800-888-8267).

Participants who choose to use the telephone can simply call [bencom.fone \(1-800-888-8267\)](tel:1-800-888-8267) for investment rates of return, account balances, and/or to request a distribution from the UC-managed funds. You can also request a Statement on Demand

of your current account balances and transactions or transfer accumulations among the UC-managed funds.

If you have internet access go to our website and first choose "Top Picks" on the left-hand side of our home page. From there you can view investment rates of return. Then go back to our home page and choose "Online Actions" on the right-hand side to make transfers among the UC-managed funds or take a distribution.

Both of these services are available 24 hours a day.



Bulletin Board

Bulletin Board is for UC retiree and emeriti association announcements and other articles of interest. The information contained herein does not necessarily represent the opinions of UC Human Resources and Benefits. UC HR/Benefits reserves the right to edit, correct, and/or decline to publish information submitted to New Dimensions. To post an announcement, write to New Dimensions or e-mail janie.kirsch@ucop.edu.

UC Davis Retirees' Association Announcements

2001–2002 Officers

President	Howard Frank
1st Vice-President-elect	Robert Eernisse
2nd Vice-President	Anne Gray
Secretary	Deanna Falge Pritchard & Arleen Kasmire (shared)
Treasurer	Richard Frost
Past President	Arleen Kasmire
Board Members	Robert Eernisse, Chris Grain, Deanna Falge Pritchard, Barbara Nichols, Vernon Lust, Walter Winton
CUCRA Officer	Robert Padden, Treasurer
CUCRA Representatives	Robert Eernisse, Deanna Falge Pritchard

Scholarships Awarded

Staff scholarships funded by UC DRA were awarded to Daniel Ortiz, physical plant; Dolores D'Amico, Learning Resources Center; and Brandy Schmidt, cell biology, School of Medicine. Ortiz and D'Amico received \$250 each and Schmidt \$500, based on their requests for funds to continue their education.

This year the UC DRA board voted to award two staff scholarships instead of one, but the requests of the applicants made it possible to include three awards. The scholarships program was established in 1998.

Corinne Cooke, a member of the Staff Scholarships Committee, presented certificates to the winners at the annual TGFS barbecue at Toomey Field on May 9, 2001.

UCDA Reaches Dozen Years

A group of UCD retirees met in July 1989 to organize the UC Davis Retirees' Association. The officers that first year were Pat Bulski, president; Paul Taloff, vice-president, Erna Thompson, secretary; and Geri Rippengale, treasurer. Board members included Gina Celoni, Ed Spafford, Arleen Kasmire, Charlotte Holder, and Ronald Maus.

The newsletter, *The UCD Retiree*, began in the fall of 1991, with Bob Bynum as editor, and a committee including Paul Taloff (chair), Rosie Cushing, and Edie Silva.

Annuitant Newsletter on Audio Cassette

This newsletter is available on audio cassette tape for visually impaired and disabled annuitants. If you are interested, call *New Dimensions* at 1-800-239-4002, extension 70270, and leave your name, address, and phone number. Please indicate that you want to receive *New Dimensions* on tape. Please note that audio cassette tapes are generally mailed four weeks after each *New Dimensions* mailing.

New Dimensions

Volume 18 Number 4, Fall 2001

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Managers, Communications Services:

Yvonne Anderson, Norm Cheever

By authority of The Regents, University of California Human Resources and Benefits, located in Oakland, administers all benefit plans in accordance with applicable plan documents and regulations, custodial agreements, University of California Group Insurance Regulations, group insurance contracts, and state and federal laws. No person is authorized to provide benefits information not contained in these source documents, and information not contained in these source documents cannot be relied upon as having been authorized by The Regents. Source documents are available for inspection upon request (1-800-888-8267). What is written here does not constitute a guarantee of plan coverage or benefits—particular rules and eligibility requirements must be met before benefits can be received. The University of California intends to continue the benefits described here indefinitely; however, the benefits of all employees, annuitants, and plan beneficiaries are subject to change or termination at the time of contract renewal or at any other time by the University or other governing authorities. The University also reserves the right to determine new premiums and employer contributions at any time. Health and welfare benefits are subject to legislative appropriation and are not accrued or vested benefit entitlements. If you belong to an exclusively represented bargaining unit, some of your benefits may differ from the ones described here. Contact your Human Resources Office for more information.

In conformance with applicable law and University policy, the University is an affirmative action/equal opportunity employer. Please send inquiries regarding the University's affirmative action and equal opportunity policies for staff to Director Mattie Williams and for faculty to Executive Director Sheila O'Rourke, both at this address: University of California Office of the President, 1111 Franklin Street, Oakland, CA 94607.

Comments or Questions?

Write *New Dimensions* at:

University of California

Human Resources and Benefits

P.O. Box 24570, Oakland, CA 94623-1570

Association Contacts

Use this listing if you're interested in joining an association, or to inform your association of an address change.

	Emeriti	Retirees
Berkeley	UCB Retirement Center 510-642-5461	UCB Retirement Center 510-642-5461
Davis	Paul Stumpf 530-753-5022 pkstumpf@ucdavis.edu	Arleen Kasmire 530-753-0898
Irvine	Sam McCulloch 949-650-5569	Emeriti/Retiree Office 949-824-6204 emeriti@uci.edu
LANL	N/A	Mary Mariner 505-672-1950 Chuck Mansfield 505-662-2115
LBNL	N/A	Bud Larsh 510-724-1202 almonlarsh2@juno.com
LLNL	N/A	Lawrence Livermore Employee Services Association 925-422-9402
Los Angeles	Emeriti/Retiree Relations Center 310-825-7456 emeriti@humnet.ucla.edu	Emeriti/Retiree Relations Center 310-825-7456
OP & Regents	N/A	Keith Sexton 925-376-5194
Riverside	Michael D. Reagan 909-780-5993 cdmdr@pacbell.net	Betty Morton 909-689-4381 TheMortons@aol.com
San Diego	Sandi Pierz 858-534-0101	Lisa Hreha 858-534-4724 retireelink@ucsd.edu
San Francisco	William F. Ganong 510-526-5680	Frances Larragueta 415-731-3109
Santa Barbara	Emeriti/Retiree Relations Center 805-893-2168 gina.lopez@hr.ucsb.edu	Emeriti/Retiree Relations Center 805-893-2168
Santa Cruz	Stanley D. Stevens 831-475-9172	Barbara Dileanis 831-426-7653

Note to associations: To update a listing, write to *New Dimensions*.



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New Dimensions

Benefits Newsletter for UC Annuitants
Volume 18 Number 4, Fall 2001

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 - ◆ Plan Highlights for 2002—page 4
 - ◆ 403(b) Plan and DC Plan UC Account Distributions on the Internet—page 9
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