

# New Dimensions

Benefits Newsletter for UC Annuitants

Volume 20 Number 2, May 2003

## Guide to prescription drug benefits for 2003

**O**n the next page is a guide to retail and mail-order prescription drug benefits for UC-sponsored medical plans that will help you understand your prescription options and costs. UC is committed to providing quality health care and recognizes the importance of prescription medication. If you have any questions, please call the Customer Service telephone number on your medical plan I.D. card.

As we reported in the Spring 2002 issue of this newsletter, prescription drug costs are one of the leading causes of escalating health care costs in recent years. UC has offered a three-tier copayment program for most of its medical plans since 2002 to provide access to a wide range of medications while containing rising costs.

UC medical plans (except for Core) require fixed copayments which vary depending upon the type of drug prescribed: generic formulary, brand-name formulary, or brand-name non-formulary.

### Prescription drug formularies

A “formulary” is a list of the approved prescription medications that your medical plan covers at lower/reduced member copayments. Formularies are updated periodically, and drugs may be added or deleted.

A “brand-name” drug is the first version of the drug approved by the Food and Drug Administra-

tion (FDA). A brand-name drug is typically the most expensive due to the costs of researching and developing the drug and conducting clinical tests required for FDA approval. The costs for developing a drug can reach \$200 to \$300 million.

A “generic” drug is one that is equivalent to the brand-name drug in chemical make-up, quality and performance, and is strictly tested (ingredients and the actual product) and regulated by the FDA. FDA guidelines specify that generics must be identical to the brand-name in safety, performance, and dosage form. Additionally, the active (working) ingredients must be the same. Some brand-name drugs may not have a generic equivalent initially, but one may become available later.

If you have questions about a particular brand-name drug or its generic equivalent, check with your doctor or contact your medical plan directly. Contact your plan for complete details of the prescription drug benefit.

Since your prescriptions are available for a set copayment, you may not be aware of the value of your medical plan coverage. We have compiled a brief list of some of the more common prescriptions used by our employees, so you can see what some average retail costs for these drugs would be if you did not have medical insurance.

*continued on page 2*

Brand-name Drug Examples (Average Monthly Retail Price)			Generic Drug Examples (Average Monthly Retail Price)		
Drug Name	Retail Price	Condition/Use	Drug Name	Retail Price	Condition/ Use
Lipitor	\$65	High Cholesterol	Naproxen	\$17	Anti-inflammatory
Allegra	\$74	Allergies	Metformin	\$33	Diabetes
Vioxx	\$76	Arthritis (anti-inflammatory)	Ranitidine Hydrochloride	\$29	Heartburn/GERD
Glucophage	\$90	Diabetes			
Nexium	\$118	Heartburn/GERD			

Guide to prescription *continued from page 1*

	Blue Cross PPO	Blue Cross PLUS	BluePremier HMO	BluePremier POS	Core
<b>Retail pharmacy supply</b>	30-day supply	30-day supply	30-day supply	30-day supply	
<b>Generic drug formulary</b>	\$15	\$15	\$15	\$15	20%
<b>Brand-name drug formulary</b>	\$25	\$25	\$30	\$30	20%
<b>Non-formulary drugs</b>	\$40	\$40	\$45	\$45	20%
<b>Mail order supply</b>	90-day supply	90-day supply	31–90 day supply	31–90 day supply	N/A
<b>Generic drugs</b>	\$30	\$30	\$30	\$30	N/A
<b>Brand-name drugs</b>	\$50	\$50	\$60	\$60	N/A
<b>Non-formulary drugs</b>	\$80	\$80	\$90	\$90	N/A
<b>Mail order contact</b>	WellPoint Pharmacy 1-800-700-2541*	WellPoint Pharmacy 1-800-700-2541*	Advance PCS 1-800-966-5772	Advance PCS 1-800-966-5772	

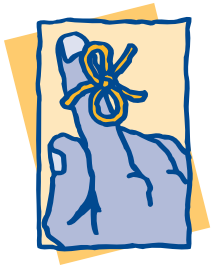
	Health Net/ Seniority Plus	Kaiser Permanente/ Senior Advantage	PacifiCare of California & Nevada/Secure Horizons	Western Health Advantage/ WHA Care+
<b>Retail pharmacy supply</b>	30-day supply	100-day supply	30-day supply	30-day supply
<b>Generic drug formulary</b>	\$10	\$10	\$10	\$10
<b>Brand-name drug formulary</b>	\$20	\$20	\$20	\$20
<b>Non-formulary drugs</b>	\$35	Does not apply	\$35	\$35
<b>Mail order supply</b>	90-day supply	**	90-day supply	***
<b>Generic drugs</b>	\$20		\$20	\$20
<b>Brand-name drugs</b>	\$40		\$40	\$40
<b>Non-formulary drugs</b>	\$70		\$70	\$70
<b>Mail order contact</b>	1-888-858-2951		1-800-562-6223	1-800-903-8664

\* Prescription drug copays do not apply toward the annual out-of-pocket maximums.

\*\* Mail order refills can be arranged. Additional information about ordering prescriptions can be found in *Your Guidebook to Kaiser*.

\*\*\* Western Health Advantage members can use the Merck-Medco mail order service for refills only after the initial prescription is dispensed by a participating pharmacy.





## Reminders

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New Feature! Look to our “Reminders” page each issue for brief summaries of important program deadlines, program changes, and other useful benefits-related information.

### Health & Welfare

#### Complete the Ratings of UC Medical Plan Survey 2003

A randomly selected group of UC annuitants has been chosen to participate in a survey to measure satisfaction with the UC-sponsored medical plans. DSS Research is conducting the survey and began mailing the materials to UC members in April. If you've received a survey packet, please return your response to help us learn to better serve you in the future.

The survey concludes June 10. Look for the survey results in a future newsletter.

#### Aetna claims due by December 2003

Claims from last year (2002) under the previous Aetna plans (UC Care, High Option, and Core) must be submitted no later than December 31, 2003, in order to be paid.

#### Kaiser prescriptions online

Once you have completed Kaiser Permanente's authorization form, you can submit your prescription requests online. To learn more about this service, access At Your Service (<http://atyourservice.ucop.edu>) and choose “Contact List” to go to the Kaiser Permanente website.

#### Domestic partner six-month residency requirement lifted

The requirement that a same-sex domestic partner must live with a UC member for six months before enrolling in health and welfare benefits has been eliminated as of May 1, 2003.

For additional information about enrolling a domestic partner, refer to the new UC HR/Benefits booklet *Benefits for Domestic Partners*, which will be available in June. Look for an announcement in our newsletter.

#### Your LBNL Health Care Facilitator

In the last newsletter, we reported an incorrect telephone number for Loida Bartolome-Mingao, the Health Care Facilitator at Lawrence Berkeley National Laboratory. She can be reached at 510-486-6997. We apologize for any inconvenience we may have caused.

#### Bencom.fone options change

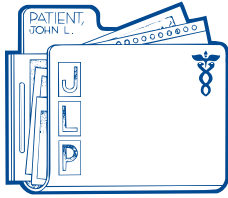
UC HR/Benefits has recently changed the features available on its interactive voice response system, bencom.fone. You will notice that the menu options reflect these changes. We have added a HIPAA mailbox (option 5) to record your questions about UC's compliance with the new health care privacy rules (see page 10).

#### Updating your address

To update your address, simply go to At Your Service (<http://atyourservice.ucop.edu>). On the home page, select “Forms and Publications;” print a copy of form UBEN 131 (*UC Benefits Address Change Notice*); then complete the form, make a copy for your records, and mail it to the address indicated on the form. You may also obtain a copy by calling the bencom.fone (1-800-888-8267) and using the “Forms Request Mailbox” (option 3) or by speaking with Customer Service (option 4).

#### Updating your beneficiaries

To update your beneficiaries, simply go to At Your Service (<http://atyourservice.ucop.edu>). On the home page, select “Forms and Publications;” print a copy of form UBEN 114 (*UC Designation of Beneficiary*); then complete the form, make a copy for your records, and mail it to the address indicated on the form. You may also obtain a copy by calling the bencom.fone (1-800-888-8267) and using the “Forms Request Mailbox” (option 3) or by speaking with Customer Service (option 4).



## UC's Medicare Corner

Useful websites: Medicare—[www.medicare.gov](http://www.medicare.gov) Social Security—[www.ssa.gov](http://www.ssa.gov)

### Want to learn more about Medicare?

[www.Medicare.gov](http://www.Medicare.gov)

This article provides general information about Medicare and helps explain Medicare enrollment requirements for UC health plan members. Medicare is the federal health insurance program for people age 65 or older. Medicare also covers certain younger people with disabilities and people with end-stage renal disease (permanent kidney failure requiring dialysis or a kidney transplant).

### Two parts of Medicare

**Medicare Part A** helps cover hospital stays, skilled nursing facility care, home health care, and hospice care. Most people do not have to pay a monthly premium for Medicare Part A when they become eligible because they (or a spouse, ex-spouse or deceased spouse) paid Medicare taxes while they were working. It is possible to qualify for premium-free Part A based on a spouse's contributions even though you may have never contributed to Social Security.

**Medicare Part B** helps cover doctors' services, clinical laboratory services, and outpatient hospital care. When medically necessary, Part B also helps pay for some physical and occupational therapy and some home health care.

Most people pay a monthly premium for Part B. Those who receive Social Security benefits are automatically enrolled, and the premium is taken from their monthly Social Security retirement benefit. If you are not receiving a Social Security benefit, Social Security will bill you quarterly.

For 2003, the monthly premium is \$58.70; it can be higher if enrollment was delayed. In certain circumstances, there are special programs to help pay for the premium. (See "Medicare Resources.")

### Requirements for UC health plan members

If you or your eligible family members are covered by a UC-sponsored medical plan and become eligible for Medicare Part A free of cost, UC requires that you also enroll in Medicare Part B. If you do not enroll in Medicare Part B, UC will assess a monthly offset fee (currently \$110 for each Medicare-eligible member not enrolled in Medicare). The offset fee is usually deducted from your monthly retirement check.

### Why is enrollment necessary?

Why does UC require enrollment in Medicare Part B if you or your eligible family members become eligible for Medicare Part A, free of cost? It is to keep costs down. Medical costs increase as a person ages. It is estimated that for each year a population ages, healthcare costs increase by 2–3 percent, on average. Of total medical costs to UC and annuitants, Medicare can pay 80 percent of doctor and hospital bills. That's important. With Medicare assuming the cost of some doctor and hospital bills, UC benefits and budget planners retain leverage to negotiate high-value coverage for our annuitants.

In most cases, when you become eligible and enroll for Medicare, you will remain in your UC medical plan. If you are enrolled in an HMO (Health Net, Kaiser Permanente, PacifiCare, Western Health Advantage, PacifiCare of Nevada) you are further required to assign Medicare to the HMO. This means that Medicare will work with your plan to pay all your costs, and you will not be able to use Medicare separately from your HMO. UC will provide you with information about your Medicare enrollment requirements and provide enrollment forms for this purpose approximately three months before your 65th birthday (or three months before your family member become eligible for Medicare).

## When will you be contacted?

If you are already receiving Social Security benefits but are not yet age 65, you will be enrolled automatically in both parts A and B of Medicare. If so, a Medicare card will be sent to you about 3 months before your 65th birthday. The card will show your effective dates for Part A (hospital insurance) and Part B (medical insurance).

UC will send a *Medicare Information Factsheet* and a *Medicare Declaration* form (UBEN 126) to verify Medicare status three months prior to your 65th birthday (or the 65th birthday of any family members enrolled in your plans). UC HR/Benefits is currently revising the *Medicare Information Factsheet* and a new 2003 edition will be available in June on the At Your Service website under “Forms & Publications.” In June, you may also call bencome.fone (1-800-888-8267) and request a copy using the “Forms Request Mailbox.”

## Medicare Resources

If you are interested in learning more about Medicare, go to the official website ([www.medicare.gov](http://www.medicare.gov)) for information about eligibility, enrollment, premiums and more. You can download the following publications or call Medicare to request:

- *Medicare & You 2003* handbook (CMS Publication. No 10050). This comprehensive, 84-page booklet explains the Medicare program, Medicare + Choice, and your Medicare rights. This booklet also contains information on how you can save on your health care costs.
- *Medicare Basics: A Guide for Caregivers* focuses on eight “decision points” related to the health and overall well-being of older persons involved in Medicare decision-making. This booklet provides general information and suggestions for finding more detailed information about Medicare.

The following programs may also be of assistance to you:

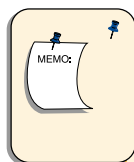
## State Health Insurance Assistance Programs (SHIP)

SHIP is a resource for questions about your Medicare-related issues and local programs. SHIP counselors give free health insurance counseling and guidance to people with Medicare. You can meet with a local representative or talk to a Medicare expert on the phone for personal assistance. You can find the telephone number for the SHIP in your state by visiting Medicare’s website ([www.medicare.gov](http://www.medicare.gov)) selecting “Helpful Contacts,” and then “Related Websites.” Your SHIP is a good place to start.

## Medicare Savings Programs for Californians

Special state programs for Californians who are covered by Medicare Part A and have limited income and resources may pay some or all of the monthly Medicare Part B premiums. Call your local Medi-Cal office to ask for information on Medicare Savings Programs. You can find the number in the phone book under Medicaid, Social Services, Medical Assistance, Human Service, or Community Services. If you need assistance finding the Medi-Cal office in your county, call the EDS Medi-Cal office at 916-636-1980, or Medicare’s 24-hour toll free helpline at 1-800-633-4227 (choose option 2 for information on Medicaid) or access their website ([www.medicare.gov/Basics/HelpToPay.asp](http://www.medicare.gov/Basics/HelpToPay.asp)).

You can obtain information and help with your Medicare questions 24 hours a day by calling Medicare directly at 1-800-633-4227 (1-800-MEDICARE). TTY users should call 1-877-486-2048.



**Bulletin Board** is for UC retiree and emeriti association announcements and other articles of interest. To post an announcement, write to Steven Ong at New Dimensions or e-mail [steven.ong@ucop.edu](mailto:steven.ong@ucop.edu). UC HR/Benefits reserves the right to edit, correct, or decline to publish information submitted to *New Dimensions*. The information contained in Bulletin Board does not necessarily represent the opinions of UC Human Resources and Benefits.

# High Option prescription drug benefits

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In April, Blue Cross Life and Health Insurance Company sent a letter to its High Option Supplement to Medicare members about the plan's new prescription drug benefits. One change of note is that Blue Cross will require preauthorization for certain prescriptions effective June 1, 2003. Although this requirement has been in effect since the beginning of the year, Blue Cross has not enforced this policy during the last few months, since many High Option plan members were not aware of it. This article summarizes preauthorization and the other key items addressed in the April letter.

## Preauthorization for select medications effective June 1, 2003

As you are aware, drug costs are increasing at twice the rate of medical care and are the fastest rising item of health care benefits costs. To help maintain your access to affordable prescription coverage, the High Option plan added some restrictions to offset the escalating costs of drugs.

In the April letter, Blue Cross included a current list of medications that will require preauthorization by Blue Cross's Wellpoint Pharmacy beginning June 1, 2003. This policy is the same as with other UC-sponsored plans and applies to only a small percentage of prescriptions. It is designed to help contain prescription drug costs, to ensure that plan members receive medications appropriate for their medical condition, and to limit the use of expensive medications which might have less expensive alternatives (either other brands or generics).

## How to use your prescription drug benefit most efficiently

Prescription medication is constantly changing, with new drugs being approved every day. Follow the steps below to get the most from your High Option prescription benefit:

- **Know what's in the formulary.** When you are going to meet with your doctor, consider taking a copy of the Blue Cross Approved Formulary Drug List. You can find this online

the web ([www.bluecrossca.com/pdf/pharmacy/fbcc0075\\_sdesai.pdf](http://www.bluecrossca.com/pdf/pharmacy/fbcc0075_sdesai.pdf)) or request one by calling WellPoint Pharmacy (1-800-700-2541). Remember, drugs are added and deleted from the formulary on a quarterly basis, so it is important to also locate the most current update on the Blue Cross website (<http://web.bluecrossca.com/wpf/forms/formularyUpdate.pdf>). You and your doctor can review your medications against the formulary, and he/she may be able to prescribe formulary alternatives to your current non-formulary medications, which can reduce your copayment costs.

- **Remember that many medications require preauthorization.** To receive the prior authorization of benefits form and/or a list of medications that require prior authorization of benefits, call the pharmacy customer service toll-free number on your member ID card. You should consider bringing the prior authorization of benefits form and the list of drugs requiring preauthorization (included with your Blue Cross letter) with you to your doctor's visit and ask your doctor to begin the paperwork during your visit, should he/she prescribe a drug requiring preauthorization. A preauthorization can take up to 48 hours to be approved once it is received by Blue Cross.
- **Use network pharmacies and you'll pay only the required copayment.** When you have a prescription filled, you do not have to complete any claim forms. Instead, you show your Blue Cross ID card to the pharmacist, who will charge you a fixed copayment. The amount of your copayment varies depending upon the type of drug prescribed: generic formulary, brand-name formulary, or brand-name non-formulary. (See page 1 for more information on these terms.) Check the Blue Cross website ([www.bluecrossca.com/clients/uc](http://www.bluecrossca.com/clients/uc)) or call 1-800-700-2541 for network pharmacies near you.



- **Use the convenience of mail order prescriptions for those medications which you take regularly.** If you are considering using a medication for an extended time period due to a chronic medical condition, consider using the mail order service. Through mail order, you receive a three-month supply of medication for the cost of a two-month copayment. Medications will be mailed directly to your home, so you avoid the hassle of waiting in line at the pharmacy.

Using the mail order service is easy. Just follow these steps:

1. Ask your physician for a 90-day prescription with up to three additional refills, if medically appropriate.
2. Obtain a Prescription Mail Order Form from Blue Cross by calling Customer Service, or by downloading a form from the Blue Cross website.

3. Fill out the Mail Order Form. Enclose the prescription and appropriate copayment via check, money order or credit card, and send the completed form and enclosures to the mail order provider. Your order should be filled within 10–14 days.

Mail order prescriptions are obtained from the mail order facility in Pittsburgh, PA. Tell your doctor that you'd like to use the mail order pharmacy and she/he will write your prescription to allow the plan to provide you with up to a 90-day supply. The prescriptions are delivered right to your home!

If you have questions about your medications or benefits, please call the pharmacy customer service staff toll-free at 1-800-700-2541.

## Directory of UC Health Care Facilitators

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**Y**our Health Care Facilitator is available to provide assistance in resolving health and welfare issues, and helps you understand and obtain the full benefits available from your UC-sponsored plans.

**New Face:** Andrew Clark was recently appointed Health Care Facilitator at the Office of the President to provide assistance to Office of the President employees and annuitants, and to assist annuitants who generally use the Customer Service Center for medical plan issues.

**UC Berkeley** Deborah Lloyd  
dbllloyd@uclink4.berkeley.edu, 510-643-7547

**UC Davis** Guerren Solbach  
gpsolbach@ucdavis.edu, 530-752-4264 (Campus),  
916-734-8880 (UCD Medical Center)

**UC Irvine** Joe Walsh  
jwalsh@uci.edu, 949-824-8921 (Campus),  
714-456-7289 (UCI Medical Center)

**UC Los Angeles** Bridget Sheehan-Watanabe  
bsheehan@chr.ucla.edu, 310-794-3057 (Campus  
and Medical Center)

**UC Riverside** Mary Johnson  
mary.johnson@ucr.edu, 909-787-4766, x 11425

**UC Santa Barbara** Laura Morgan  
laura.morgan@hr.ucsb.edu, 805-893-4201

**UC Santa Cruz** Frank Trueba  
frueba@cats.ucsc.edu, 831-459-3573

**UC San Diego** Wilma Westmoreland  
wwestmoreland@ucsd.edu, 858-822-2192  
(Campus and Medical Center)

**UC San Francisco** Pamela Hayes  
phayes@hr.ucsf.edu, 415-514-3324  
(Campus and Medical Center)

**Lawrence Berkeley Lab (LBL)**  
Loida Bartolome-Mingao,  
Lcbartolome-mingao@lbl.gov, 510-486-6997

**Lawrence Livermore Lab (LLNL)** Johnetta Jones  
jones173@llnl.gov, 925-422-8726

**Los Alamos Lab (LANL)** Pam Koby  
pkoby@lanl.gov, 505-665-2062

**Office of the President** Andrew Clark  
andrew.clark@ucop.edu, 510-987-9324 or  
800-239-4002, x 7-9324

## UC-Managed Funds

Since October 31, 2002, 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
October 31, 2002	\$204.753	\$145.250	\$28.50467	.4074%	.5447%	.1514%
November 30, 2002	215.257	144.861	28.89782	.4035	.5254	.1379
December 31, 2002	203.977	148.259	28.71842	.3955	.5438	.1236
January 31, 2003	198.863	148.320	28.59677	.3816	.5067	.1331
February 28, 2003	195.556	150.829	28.64351	.3583	.4548	.1136
March 31, 2003	196.755	150.765	27.73032	.3693	.4983	.1122

### Rates of Return as of March 31, 2003

	1-year	Annualized 5-year	10-year
<b>Total Return Funds</b>			
Equity	-26.39%	-2.66%	7.66%
Bond	13.49	7.11	9.93
Multi-Asset	-3.25	3.68	7.68
<b>Income Funds</b>			
Savings	4.87%	5.74%	6.13%
Insurance Company Contract	6.52	6.92	7.38
Money Market	1.73	4.50	4.78

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

Get the latest investment performance results for the UC-managed funds by visiting At Your Service (<http://atyourservice.ucop.edu>) and selecting "Retirement Plans Values & Performance." The UC funds are valued monthly, and the new unit values and interest factors are posted on our website around the tenth of each month.

You may also request a Statement on Demand of your current balances and transactions from UC's interactive telephone service, bencom.fone (1-800-888-8267). Summary statements are also now available on At Your Service by selecting "Your Benefits Online."



# UCTV programming note

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**O**n Monday, June 9, University of California Television (UCTV) will begin the four part “Senior Health Care Symposium” series from Irvine. This series was sponsored by the Councils of UC Emeriti and Retirement Associations (CUCERA and CUCRA) and the Office of the President, Human Resources and Benefits. The symposium addressed health care as it impacts seniors, and covered healthy aging, health care for seniors, public policy affecting health care, and UC’s health benefits programs and the challenges of increasing health care costs.

The series will air on UCTV Mondays at 6:00 PM and 9:00 p.m. (all times listed are Pacific Time) as well as at other times throughout the month (visit [www.uctv.tv](http://www.uctv.tv) for the complete program schedule). The programs will also be webcast live and will be made available through “video-on-demand” streaming video.

UCTV provides educational and enrichment programming that draws upon the vast intellectual, scientific and creative talents of the University of California. It delivers documentaries, faculty lectures, cutting-edge research symposiums and artistic performances from each of the 10 UC campuses. UCTV is available on the DISH Network and on cable in parts of California. See the table at the right for additional details on how to see UCTV.



**Part 1 (60 minutes) June 9:** “Aging Well: Aspects of Health Maintenance (John W. Daly); Healthy Aging As A Community Issue (Andrea Steiner); Overview of the Health Care Environment (Barbara Adachi)”

**Part 2 (60 minutes) June 16:** “Beyond Longevity: Health for Older People (Lester Breslow); Lessons from Centenarians—Successful Aging (Jay Luxenberg); Surviving the Medicare System” (Julie Schoen)

**Part 3 (30 minutes) June 23:** “Anxiety and Depression in Late Life” (Enid Rockwell)

**Part 4 (60 minutes) June 30:** “Medicare Reform (Thomas Rice); The Dismal Future of Employer Based Health Insurance (Richard Kronick)

## UCTV can be viewed via the following:

<b>Cable TV</b>	limited availability on local cable in California; for details see <a href="http://www.uctv.tv/cable">www.uctv.tv/cable</a>
<b>Direct Broadcast Satellite</b>	nationwide, on Dish Network Channel 9412
<b>Internet</b>	live webcast and subsequent “video-on-demand” streaming video at <a href="http://www.uctv.tv">www.uctv.tv</a>
<b>C-band satellite</b>	nationwide, with large dish receiver and Mpeg-2 decoder.

The C-Band satellite coordinates to downlink the program can be obtained by filling out a form on the UCTV website ([www.uctv.tv/downlink.asp](http://www.uctv.tv/downlink.asp)) or by calling Alison Gang at 1-858-822-5060.

## Privacy protection for your health information

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**O**n April 14, 2003, the Privacy Rule for the Health Insurance Portability and Accountability Act (HIPAA) became effective. Over the past several months, the University and its carriers have been working to put policies and procedures in place to make operations for the University, its health plan administrators, business associates, and medical providers compliant with HIPAA.

As part of the University's responsibility for its self-funded plans, on April 10, a copy of the University's official HIPAA Privacy Notice was sent to current enrollees of Core California, Core New Mexico, BluePremier HMO, BluePremier POS, and High Option Supplement to Medicare. For the other

UC-sponsored plans, the plan carriers were responsible for mailing a similar notice to their UC enrollees before the April 14 effective date.

The University has launched a new HIPAA website ([www.universityofcalifornia.edu/hipaa](http://www.universityofcalifornia.edu/hipaa)) to provide employees, retirees, and other visitors with information about HIPAA and UC's compliance with the new privacy rule.

If you have questions about HIPAA related to UC-sponsored plans, write to the HIPAA Privacy Officer at 300 Lakeside Dr., 5th Floor, Oakland, CA 94612. You can also call [bencom.fone \(1-800-888-8267\)](tel:1-800-888-8267) and choose the HIPAA mailbox (option 5) to leave a message.

## 2003 cost-of-living adjustment

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**F**or 2003, the automatic cost-of-living adjustment (COLA) on UCRP monthly benefits is 2 percent for all members who began receiving monthly retirement, survivor, or disability income on or before July 1, 2002. The increase will appear in checks paid at the end of July.

The annual UCRP COLA is based on Consumer Price Index (CPI) movement for the preceding year, averaged for the Los Angeles and San Francisco metropolitan areas and measured from February to February. The UCRP COLA for annuitants generally matches the CPI increase up to 2 percent and then adds 75 percent of the CPI increase over 4 percent, if any. The maximum possible UCRP COLA is 6 percent. The CPI movement for the period February 2002 to February 2003 was 3.45 percent. Therefore, the 2003 UCRP COLA is 2 percent.

Determining the exact increase each benefit recipient will receive each year is very complicated. The annual adjustment depends not only on CPI movement for the preceding year, but also on the overall CPI increase since the individual retired.

UCRP maintains two "banks"—an inflation bank and a COLA bank—that are used to determine each benefit recipient annual increase. The difference between the CPI increase and the UCRP COLA is stored in an inflation bank that may be tapped in future years of low inflation—that is, the inflation bank is used to increase the UCRP COLA to 2 percent when CPI movement is less than 2 percent. The inflation bank was not used this year because CPI movement was more than 2 percent.

The COLA bank stores any part of a potential COLA that is not paid because of low inflation. In years in which inflation is less than 2 percent, the difference between 2 percent and the CPI increase accumulates in the COLA bank. The COLA bank is used to increase the UCRP COLA in years when inflation is more than 2 percent. Currently no group has an amount in the COLA bank since CPI movement has exceeded 2 percent in recent years.

## 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 79836, and leave your name, address, and phone number. Please indicate that you want to receive *New Dimensions* on tape and future *New Dimensions* recordings will be sent to you. Please note that audio cassette tapes are generally mailed four weeks after each *New Dimensions* mailing.

## New Dimensions

Volume 20 Number 2, May 2003

*New Dimensions* is published by University of California Human Resources and Benefits to provide news and information to UC annuitants.

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## UNIVERSITY OF CALIFORNIA HUMAN RESOURCES AND BENEFITS

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Write *New Dimensions* at:

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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.

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Davis	Edmond Constantini 530-752-0974 egconstantini@ucdavis.edu	Charles Lacy 530-756-4372 calacy@ucdavis.edu
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LANL	N/A	Mary Mariner 505-672-1950 Chuck Mansfield 505-662-2115
LBL	N/A	Bud Larsh 510-724-1202 almonlarsh2@juno.com
LLNL	N/A	Lawrence Livermore Employee Services Association 925-422-9402
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Riverside	Michael D. Reagan 909-780-5993 cdmrd@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
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# New Dimensions

*Benefits Newsletter for UC Annuitants*  
Volume 20 Number 2, May 2003

## INSIDE:

- ◆ Guide to prescription drug benefits for 2003—page 1
- ◆ Want to learn more about Medicare?—page 4
- ◆ High Option prescription drug benefits—page 6  
and more...

## For Your Information

*New Dimensions* is mailed, usually on a quarterly basis, to a wide population. This newsletter serves notice of changes in benefits, human resource policies, and other issues that affect some segment of the population within the UC community. Information included does not necessarily apply to all those receiving the newsletter. For information about which policies, procedures, or benefits apply to you, please check with your local Human Resources or Benefits Office.

