



AIP INTER-OFFICE MEMORANDUM

October 7, 2009

TO: All Maryland Employees of AIP and AAPM
FROM: Jonathan J. Goodwin
SUBJECT: Open Enrollment for Health and Flexible Spending Benefit Programs

The Institute will have Open Enrollment for the health and flexible spending programs from **October 14th through November 6th, 2009**. All employees wishing to change or enroll in medical, dental, vision or flexible spending benefits through AIP must make selections or changes for their 2010 choices during the open enrollment period. All enrollments must be completed by November 6th. All benefit plans and changes will become effective **January 1, 2010**.

You may remember that at this time last year, we announced that our rates were dropping in 2009 by 3%, due in a great part to very favorable claims experience that Aetna had on record for AIP employees for the prior 12 months. Unfortunately, due in part to the economy and in part to our claims experience over the last year, Aetna began our renewal with a substantial increase in premiums: 24.9% for all medical plans. After a long and difficult negotiation, including entertaining competitive proposals from other carriers, we have decided to remain with Aetna (www.aetna.com) for 2010 as our primary medical carrier and will be changing some of the individual benefits within each plan in order to keep the increases in premiums manageable. The increases for the Aetna medical plans will be: 13.0% for the **HMO**, 13.5% for the **POS** plan and 15.3% for the **PPO** plan. Please see the attached comparison chart for specific benefits within each plan. Changed benefits are highlighted. ***Some of the benefit changes may impact you significantly. You may want to carefully consider the features of each plan before deciding which to choose for the upcoming year.***

Aetna will also remain as our dental carrier. Rates for this plan will increase by 6.0% for 2010. We will continue to have the Aetna *Freedom of Choice* plan for dental coverage. In this plan, you can switch from Dental DMO to Dental PPO from month to month.

Our vision plan through **VSP** (www.vsp.com) will have a no increase in rates. However, this plan has an improved benefit in that it will cover new frames for glasses every 12 months, beginning in 2010.

See the attached list of premiums for new and renewed medical, dental and vision rates.

Additional points of which you need to be aware:

Beginning with the Open Enrollment meeting on October 14th, forms will be made available to you to make changes to your 2010 benefits. Changes include: enrolling in a plan for the first time, moving from one plan to another (i.e. PPO to POS), changing level of coverage (i.e. single to family coverage), etc. These forms will need to be turned in to Human Resources. **Please note:** if you are not changing medical, dental or vision benefits, your current benefit choices for these plans will simply roll into the new year and you will not need to do anything (other than enroll in Flexible Spending)!

Preferred Provider Organization (PPO) vs Point of Service (POS) – the HMO plan has only in-network benefits. The other two plans will again be the Aetna PPO and the POS. Both of these plans have an in and out-of-network component. This means that you can go to a provider (doctor, hospital, lab) in the Aetna network and generally pay only a co-payment (or a deductible and then co-payments), depending on the plan. You can also choose to go to non-participating providers (out-of-network) and pay an annual deductible first, and then 20% of most fees beyond the deductible. The primary difference to note between the PPO and

the POS is this: the out-of-network benefits are considerably more expensive in the POS. However, the POS has lower monthly premium rates. This is the trade-off that you need to consider when deciding between a PPO plan and a POS plan.

We urge all employees to attend the Open Enrollment Meeting on October 14th, to meet representatives from the insurance carriers and learn more about the 2010 benefit plans - for more information and details about the meeting - See the attached flyer.

Please review the following pertinent points:

- You must complete paper enrollment forms to enroll in or make changes to your medical, dental and vision insurance plans. All paper forms are due to Human Resources by **November 6th**. If you are making no changes to your medical, dental or vision coverage, the only thing you need to do is go online and enroll in Flexible Spending if you so choose (see below).
- All of AIP's health insurance plans continue to utilize a *formulary* prescription drug plan design. Formulary drugs are those preferred by the insurance carrier (and therefore incur lower costs than non-formulary). If you wish to see the drugs included in the **Aetna** formulary, you may access the carrier's website at www.aetna.com. (If you are a member of an Aetna plan, you will be able to access personalized medical and/or dental information at: <https://www.aetna.com/member/>). *Please note: if you utilize the large discount retail chains such as Costco, Wal-Mart, BJ's, etc, you may see substantially lower prices on generic medications, such as \$4.00 instead of \$15.00! This can be a direct savings to you!*
- We will be renewing our contract with the carrier of our Employee Assistance Program (EAP), **INOVA Employee Assistance**. A representative from INOVA will be at the Open Enrollment meeting to describe the benefits of the plan. You can learn more about INOVA at www.inovaeap.com.
- AIP will again be offering same-sex and opposite-sex Domestic Partner insurance coverage. Please see your Human Resources staff for information on monthly premium rates.
- This is the time to consider having your deductions taken out of your pay on a pre-tax basis or a post-tax basis. You may want to consult a tax advisor to determine which choice is best for you.
- If you are currently contributing the annual maximum to your SRA (with TIAA-CREF), you must submit a new salary reduction agreement in order for Payroll to increase your contribution to the new 2010 maximum. The 2010 maximum and "catch-up" contribution limits for SRA participants who are age 50 and over will be announced in a separate communication once the IRS determines these levels.
- Any employee or covered dependent of an employee who is eligible for Medicare in 2009 or who will become eligible in 2010 is urged by the Centers for Medicare & Medicaid Services (CMS) to remain with the AIP prescription plan, rather than enrolling in the Medicare D prescription plan. (If you or your dependent falls into this category, you can expect to receive a letter from Human Resources by mid-November, outlining the benefits of staying with the AIP prescription plan.)
- The dependent age limit for Aetna plans is age 28.
- Employee contributions to health benefit premiums for benefits-eligible part-time employees are calculated as follows: the employee's salary will be converted to a 40 hour per week salary. This salary will be used to determine the employee's contribution to premium percentage as outlined in the benefits contributions worksheet.
- Employees using mass transit to commute to work may request to have their personal SmartTrip cards electronically loaded on the first of each month through the Human Resources Department. Please see Linda Dombroski for details. The pre-tax 2010 limit will remain at \$230 per month, up to a maximum of \$2,760 per year.

Flexible Spending Program - We are once again offering the Flexible Spending Account Program (FSA) through CBIZ (www.myflexonline.com). Your FSA Program allows you to pay for dependent care and/or out-of-pocket health costs with pre-tax dollars. Participants in the FSA Program will be able to contribute up to \$5,000 per year to their health care account. For the dependent care account, the maximum (established by the IRS) will also remain at \$5,000.

There are two important features in the flexible spending plan – one is a Debit Card – everyone who enrolls in the plan will automatically receive one prior to the New Year. These cards can be used anywhere that you spend flex dollars, such as a doctor's office or a pharmacy. The second feature is the website: www.myflexonline.com, download a claim form, submit claims and manage all of your flexible spending needs, all from one online location!

AIP adopted an IRS provision that allows you to use your 2009 health care flexible spending account for services received during a "grace period" of January 1st through March 15th in 2010. One important point to note about the grace period: any 2009 or grace period claims received by CBIZ before March 15th of 2010 will be paid with 2009 money, until it is exhausted. This means you need to be careful to submit claims in the chronological order that the services were received. (Note: this grace period is not available for dependent care accounts.)

PLEASE NOTE: EVERYONE who wishes to participate in the FSA Program in 2010 MUST complete the following steps, even if you are currently enrolled in 2009:

- Log onto the internet (from any location) to: <http://www.cbiz.com/payroll/page.asp?pid=7093>
- Click on Enroll Online
- Enter User ID: **01843** and Password: **490** (**NOT YOUR PERSONAL LOG-IN!**)
- Complete requested fields until you see "Click Finish and Save", thereby obtaining a confirmation number. You have not completed your enrollment until you see that screen and receive a confirmation number.
- One FINAL STEP: please contact Linda Dombroski (x-3032 or e-mail: ldombros@aip.org) in Human Resources to let her know that you have received your confirmation number. This way, when we receive a comprehensive list from CBIZ of all who have enrolled, we can check to see that you are on the list.

*Again, please note that if you wish to enroll in or make changes to your medical, dental and vision insurance with AIP in 2010 or participate in the Flexible Spending Account program, you must enroll by **November 6th, 2009**.*

Remember: enrollment for all medical, dental and vision plans are via paper forms. However, Flexible Spending Account enrollment requires that you go online and enroll.

See you at the Open Enrollment meeting on the 14th!

Thank you.

Attachments -

- Benefits Contributions Worksheet
- Year 2010 Bi-Weekly Premium Rate Chart
- Open Enrollment Meeting Announcement
- Medical Plan Comparison Spreadsheet

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Benefits Contributions Worksheet

Find the cell in the left-hand column where your November 1st salary falls. The percentage in the corresponding cell to the right will be your level of contribution to the premium for medical, dental and vision coverage in the upcoming year.

Annual Salary	Employee Contribution to Premium
Up to and including \$25,000	10.0%
Above \$25,000, up to and including \$30,000	12.5%
Above \$30,000, up to and including \$35,000	15.0%
Above \$35,001, up to and including \$40,000	17.5%
Above \$40,000, up to and including \$45,000	20.0%
Above \$45,000, up to and including \$90,000	22.5%
Above \$90,000	25.0%

To estimate your total bi-weekly health benefit contribution, complete the following:

Step One: Add bi-weekly premiums from each type of coverage -

Bi-Weekly premium for your chosen plan and level of **medical** coverage: \$ _____

Bi-Weekly premium for your chosen level of **dental** coverage: \$ _____

Bi-Weekly premium for your chosen level of **vision** coverage: \$ _____

Total bi-weekly premium: \$ _____

Step Two: Find your contribution to the total premium -

Multiply the total bi-weekly premium above by the percentage associated with your annual salary (from the chart above): _____%

Your final bi-weekly contribution to health benefit premiums: \$ _____

Year 2010 Bi-Weekly Premium Chart

Plan: Aetna PPO (MD and NY)	Bi-Weekly Rate
Employee	\$275.22
Employee + one	\$547.70
Family	\$811.91

Plan: Aetna POS (MD and NY)	Bi-Weekly Rate
Employee	\$213.87
Employee + one	\$425.22
Family	\$629.06

Plan: Aetna HMO (MD ONLY)	Bi-Weekly Rate
Employee	\$182.53
Employee + one	\$358.76
Family	\$527.46

Plan: HIP HMO (NY ONLY)	Bi-Weekly Rate
Employee	\$TBA
Employee + one	\$TBA
Family	\$TBA

Plan: Aetna <u>Dental</u> (MD and NY)	Bi-Weekly Rate
Employee	\$16.85
Employee + one	\$32.38
Family	\$47.65

Plan: <u>Vision</u> Service Plan (MD and NY)	Bi-Weekly Rate
Employee	\$2.74
Employee + one	\$4.02
Family	\$8.27

These are AIP's bi-weekly premium rates for medical, dental and vision insurance benefits. Please use the Benefits Contribution Worksheet to determine your actual bi-weekly cost.

**Open Enrollment
Conference Room A
Wednesday, October 14th, 2009**

Two Presentation Times:

**9:30 AM
And
11:00 AM**

- **Representatives from Human Resources answering your questions about the 2010 benefit plans**
- **Brief presentation by plan representatives demonstrating features of our plans**
- **Information from VSP will be available for review**
- **Demonstrations of the Aetna and INOVA web sites**
- **Refreshments will be available**

See You on October 14th!