



EMERITI HEALTH INSURANCE PLAN OPTIONS - SUMMARY FOR EMPLOYERS

The Emeriti Program, provided through an institution's Emeriti Retiree Health Plan, draws its strength from a consortium of colleges, universities and higher education-related, tax-exempt organizations, and from close collaboration between Emeriti Retirement Health Solutions, Fidelity Investments and Aetna Life Insurance Company (Aetna). After rigorous evaluation, Emeriti selected Fidelity Investments and Aetna because they are:

- strategically aligned with our vision of a new paradigm for retiree group health benefits, and
- experienced in delivering trust administration, investment options, insurance plans, record keeping services and customer support.

The program is managed by Emeriti Retirement Health Solutions' national office and delivered seamlessly by Fidelity & Aetna.

EMERITI HEALTH INSURANCE PLAN OPTIONS

Emeriti selected Aetna to provide participants with a choice of medical insurance products and health-related services that meet the unique needs of higher education's retiree population.

Through Emeriti, Aetna offers post-65 retirees enrolled in Medicare a menu of four medical plans, three Part D prescription drug (Rx) plans, and one dental plan. Retirees build their own insurance coverage by choosing the plan(s) that meet their health care and financial needs.

- There are **two levels of Medicare Supplement plans** which build on Medicare Parts A and B; and there are **two Private Fee-for-Service (PFFS) plans**, which are Medicare Advantage (Part C) plans where a private insurer assumes the benefit coverages defined by Medicare.
- There are **three Medicare-approved Part D Rx plans**. Two are enhanced plans, with open formularies and continuing coverage in the coverage gap. The third is a basic Rx plan, slightly richer than Medicare's Standard Part D Plan, with a closed formulary. All retirees must have an Rx component in their election. The third plan is available as a stand-alone plan.
- In combination with any of the medical and/or Rx plan choices, retirees can elect a **dental plan**.

Each year during Emeriti's fall open enrollment period, retirees enrolled in Emeriti insurance can choose among any of the available options for the next calendar year, on a guaranteed issue basis. Emeriti Health Insurance Plan Options are nationally available (see NOTE) and retired employees can relocate anywhere in the U.S. and continue to be covered.

NOTE: For institutions in 48 states and the District of Columbia, and their retirees wherever they live in the U.S., Aetna provides the above menu of plans. For institutions in Minnesota and their retirees residing in Minnesota, HealthPartners provides comprehensive (medical and Rx) coverage, Aetna provides a stand-alone Rx plan, and both provide dental coverage. Emeriti will select a provider for New Mexico institutions.

ABOUT AETNA

Aetna is a leader in health benefits solutions and is a nationwide provider of Medicare-approved Part D prescription drug benefits. Aetna helped shape the evolution of health benefits, with innovations and initiatives that focus on its approximately 15.8 million medical, 13.2 million dental, and 10.6 million pharmacy members. Aetna is committed to helping its members make informed decisions about their health care.

Aetna offers more than quality health coverage, having been at the forefront of legislation to help enhance and expand Medicare health plan options. Aetna's commitment to retirees is proven daily by its customer service representatives trained in Medicare issues, as well as disease and case management units that specialize in serving this growing population.

Aetna also offers access to programs that help retirees stay healthy and improve their quality of life. These include wellness programs and easy-to-use online resource tools to help them make decisions that are right for their needs.

KEY FEATURES OF THE EMERITI HEALTH INSURANCE PLAN OPTIONS

The initial Mellon Foundation-sponsored study of faculty retirement behavior identified a number of key benefits that were important to individuals within the higher education community. Because these benefits are not standard in existing Medicare supplement programs, Emeriti has sought to design a program that is both unique and comprehensive to meet the needs of academia. The benefits of each Health Insurance Plan Option include:

Catastrophic Protection

Medicare does not provide catastrophic protection. To address this fundamental issue of insurance, all medical options include an annual out-of-pocket maximum. In other words, the yearly dollar limit is the maximum amount a participant would expect to pay annually, over and above the premium cost of his or her selected Health Insurance Plan Option. While individuals are asked to play a part in their health care services by paying an initial deductible and by meeting the coinsurance obligation, they subsequently have full insurance protection when they reach the annual out-of-pocket limit. As required by the Centers for Medicare & Medicaid Services (CMS) for Medicare-approved plans, there are separate deductibles and coinsurances for the medical and drug benefits, and Rx Plan 1 has an out-of-pocket maximum, and Rx Plans 2 and 3 have a fairly minimal continuing coinsurance for the drug benefits.

Prescription Drug Coverage

Faculty interviewed for the Mellon Foundation-sponsored study made it clear that prescription drug coverage would be an important feature for any retiree insurance program. In response to those concerns, all

Emeriti Health Insurance Plan Options include coverage for prescription drugs benefits and offer a range of coverages and costs to meet the needs of retirees and their eligible family members.

Coverage During Foreign Travel

Another important feature for retirees from the higher education community is coverage for foreign travel. Four Emeriti Health Insurance Plan Options offer generous coverage for urgent care for participants who travel abroad. For example, if a participant falls ill in another country, all medical options provide medical services while temporarily traveling outside the United States for up to six months a year. This foreign coverage component is designed specifically for American citizens and permanent residents who maintain their primary residence in the United States at least 180 days each year and who may travel from time to time for scholarly, business or personal reasons.

Preventive Care

The Emeriti Health Insurance Plan Options encourage participants to see their doctors and to get regular check-ups and screenings appropriate to their stage of life. Early detection is an important measure in maintaining good health and in intervening early in medical treatment. For these reasons, the two Medicare Supplemental Plan Options include coverage for preventive medical services beyond what Medicare covers. The Private Fee-for-Service Plans provide extensive preventive care coverage at 100%.

Dental Coverage

Dental coverage from Aetna is available as an option in addition to any of the Emeriti medical or Rx plans.

Integration with Medicare

At its core, the Emeriti Program is designed to meet the health benefits coverage needs of retirees enrolled in Medicare.

Medicare Supplement Plans build on the foundation of Medicare Parts A (hospital) and B (Physician services and testing). Participants can access any physician or health care provider nationally that accepts Medicare. After the Emeriti deductible, the plan pays 80% of the Medicare-eligible medical costs after Medicare reimbursements, up to the annual out-of-pocket limit, and 100% thereafter for the remainder of the calendar year.

Group retiree health insurance can integrate with Medicare in a variety of ways. In the Emeriti Medicare Supplement Plans, the selected approach is the government exclusion method. This means that Medicare eligible

benefits are subtracted from Covered Medical Expenses before Aetna benefits are calculated.

With the PFFS plans, the retiree assigns his/her Medicare Parts A and B benefits to Aetna; Aetna becomes responsible for all Medicare-eligible health care costs, and adds substantial preventive care coverage. In PFFS plans, participants can go to any provider or facility that is eligible for Medicare and accepts the private-fee-for-service payment arrangement. After the Emeriti deductible, the Plan generally pays 80% (or 85%, depending on the Plan) of the Medicare-eligible medical costs up to the annual out-of-pocket limit, and 100% thereafter for the remainder of the calendar year. For providers that take assignment with Medicare, Aetna pays all but the deductible and coinsurance. If the provider does not participate with Medicare, Medicare allows them to bill an additional 15%, payable by the member.

All Emeriti enrollees must select an Rx option; all are Medicare-approved Part D plans, and enrollment in Emeriti insurance is also enrollment in Part D.

PLAN ELIGIBILITY

To enroll in an Emeriti Health Insurance Plan Option, a participant must be age 65 or older and a retired employee of a member organization of the Emeriti Program, or a spouse or qualified dependent of the retired employee. The retiree must meet the Retirement Eligibility definition in the institution's Emeriti plan. As a prospective participant becomes Medicare-eligible and elects to retire, he or she must enroll in Medicare Parts A and B to be eligible for coverage under any of the Emeriti Health Insurance Plan Options.

If the spouse of an eligible retiree desires coverage and is over 65 and enrolled in Medicare, he or she may only enroll in the same Emeriti Health Insurance Plan Option, and at the same time, as the participant. Spouses and dependents under age 65 can choose a PPO plan from Aetna or, if none is available in their area, an indemnity plan from Aetna. A spouse enrolled in the pre-65 plan may switch to a post-65 plan upon attaining age 65 and enrolling in Medicare, provided it is the same post-65 plan in which the participant is enrolled.

Participants are given a choice annually to select among the available Emeriti Health Insurance Plan Options. The initial enrollment eligibility period lasts 90 days, beginning on the first of the month following the latest of: retirement, age 65 and enrollment in Medicare Parts A and B. Retiring participants who waive enrollment in Emeriti Health Insurance Plan Options at initial retirement eligibility or who enroll and subsequently terminate coverage may not enroll at a later date, unless there is a life event.

Pre-65 retirees and their dependents will not be eligible for coverage under Emeriti Health Insurance Plan Options during the first several years of the Emeriti Program. Future eligibility, or other plan options are under consideration.

In order to offer Emeriti Health Insurance Plan Options to your retirees, your institution must meet participation standards established by Aetna.

RENEWAL RATING FORMULA

Emeriti is committed to a pricing structure that preserves long-term viability of the program. The rates are the result of collaboration between Aetna, Emeriti, and PricewaterhouseCoopers (Emeriti's health benefits and actuarial advisor). The rates are based on anticipated and actual claims experience. They count for differences in medical costs in different areas. Medicare Supplement coverage costs will reflect anticipated differences in health care demands at different ages.

CLAIMS AND CUSTOMER SUPPORT

Upon retirement, participants will choose from a selection of Emeriti Health Insurance Plan Options that will be funded with assets accumulated in their Emeriti Health Accounts or, if there are insufficient funds in the Health Accounts, through ACH transfers from their checking accounts. Aetna and Fidelity work behind the scenes to provide seamless customer service. Retirees have one phone number to call, and inquiries are directed to the appropriate company for support.

Aetna supports participants with dedicated claims and customer care units, with specialists in medical, prescription drug and PFFS coverages. The centers are staffed during hours adjusted for each time zone (8:00 a.m. - 9:00 p.m. local time, nationally). Aetna's Medicare electronic claims processing system takes the retiree out of the claims submission process, essentially eliminating paperwork for participants.

Emeriti Retirement Health Solutions, Aetna and Fidelity Investments are independent organizations and are not legally affiliated. The description of the Emeriti Program set forth herein is provided by Emeriti Retirement Health Solutions.

Unless indicated otherwise, medical plans are underwritten by Aetna Life Insurance Company. Additional benefit provisions may apply based on state of residency. These plans are not available for institutions with 50 or fewer employees.

These plans cover outpatient prescription drugs. Many drugs are subject to rebate arrangements between Aetna and the manufacturer of the drugs. Aetna receives rebates from the manufacturers of many drugs. These rebates do not reduce the amount enrollees pay for an individual prescription drug. However, they help control the overall costs of prescription drug coverage.

Benefits coverage is provided by Aetna Life Insurance Company, a Medicare Advantage organization, with a Medicare contract, and benefits, limitations, service areas and premiums are subject to change on January 1 or each year.

A Medicare Advantage PFFS plan works differently than a Medicare Supplement plan. The doctor or hospital must agree to accept the plan's terms and conditions prior to providing healthcare services, with the exception of emergencies. If doctor or hospital does not agree to accept Aetna's payment terms and conditions, they may not provide health care services, except in emergencies. Providers can find the plan's terms and conditions on Aetna's website at www.aetna.com.

This material is for informational purposes only and is neither an offer of coverage nor medical advice. It contains only a partial, general description of plan benefits or programs and does not constitute a contract. Aetna arranges for the provision of health care services. However, Aetna itself is not a provider of health care services and, therefore, cannot guarantee any results or outcomes. The availability of a plan or program may vary by geographic service area and by plan design. These plans contain exclusions and some benefits are subject to limitations or visit maximums. Consult the plan documents to determine governing contractual provisions, including procedures, exclusions and limitations relating to the program. While this material is believed to be accurate as of the print date, it is subject to change.



For more information about Emeriti
call 1-866-685-6565 or visit
www.emeritihealth.org.