

September 5, 2008

Dear Drake Retiree,

This is an informational letter updating Drake retirees on the work of the Retiree Benefits Committee (the Committee). The Committee was formed earlier this year to evaluate the Drake University Retiree Medical Plan after two Des Moines based medical groups (The Iowa Clinic and Des Moines Orthopedic Surgeons) announced their decision to stop accepting Medicare Advantage Plans, such as the one offered to Drake retirees. This decision was made without notice to either Drake or Humana. Drake was ultimately able to secure the agreement of the Iowa Clinic to continue to accept the Drake University retiree plan through December 31, 2008 so that alternatives could be explored.

The Committee has met regularly since January, including meeting with representatives from the two companies who submitted proposals for new plan options: Humana and Wellmark. After careful consideration of the options presented, the Retiree Benefits Committee agreed to continue with the current Humana plan and offer two additional options. In the coming weeks, you will receive additional information about these plan choices. It is important to note, however, that if you do not wish to make a change, you will not have to do anything; you will automatically continue enrollment in the current Humana plan. Only those electing a change will have to complete an enrollment form during the month of November

Enclosed is an "executive summary" of the conclusions of the Committee. This is a summary of the Committee's conclusions and describes briefly the reason for offering each of the options.

In early October, you will receive another mailing from us providing additional information about the plans that will be available to you effective January 1, 2009. Then, in early November you will receive materials describing the enrollment process. (Remember, if you wish to remain on the current Humana plan you need not do anything; participation will automatically continue unless you enroll in one of the other two new options being made available.)

Our goal has been, and continues to be, the selection of the best option(s) possible for Drake retirees, taking into account coverage, cost, and access to medical services and prescription drugs. Many of you have communicated with us during this process and we appreciate your insight and thoughtfulness. I want to personally thank the dedicated members of the retiree benefits committee for their thoughtful analysis: Lon Larson, Don Adams, Bob Hoehle, Kenneth Miller, and Avis Shuck. Along with the help of this highly engaged committee, we have worked hard to address the concerns and varied desires of the Drake retiree population.

Sincerely,

Venessa Macro
Director, Human Resources

**Executive Summary of the Drake University Retiree Benefits Committee
Plans Effective 1/1/09 (Enrollment during the month of November)**

Option One: Current Humana PFFS Plan

Single Premium Cost to Drake Retirees: \$39.00

Single + Spouse Premium Cost to Drake Retirees: \$91.00

The Committee received comments from several retirees who liked the current offering and who wanted to see it continue. The primary draw-back to this plan is that it will not be accepted by the Iowa Clinic after January 1, 2009 (and is currently not accepted by Des Moines Orthopedic Surgeons). Strengths include preventative benefits and prescription drug coverage. This plan will remain the default plan so that retirees who do not make an election during open enrollment in November will automatically continue in this plan, as currently elected.

Option Two: Humana LPPO Plan

Single Premium Cost to Drake Retirees: \$ 39.00

Single + Spouse Premium Cost to Drake Retirees: \$91.00

This plan is accepted by the Iowa Clinic. The Committee felt this plan would likely be desirable for many Drake retirees. Benefit coverage is nearly identical to the current plan offering, with some enhancements including a hospital co-pay that is \$150 a day rather than the higher \$250 per day currently applicable. The out of pocket maximum for this plan is also lower at \$4000 compared to the current plan's \$5000. However, the plan has higher co-pays for primary care physician visits -- \$10 instead of the current \$5. While the Humana LPPO Plan is accepted by the Iowa Clinic, it is not currently accepted by Des Moines Orthopedic Surgeons (DMOS), as DMOS is not accepting ANY Medicare Advantage plans, regardless of the company sponsoring the benefit.

Option Three: Wellmark MediBLUE Plan

Single Premium Cost to Drake Retirees: \$224.87

Single + Spouse Premium Cost to Drake Retirees: \$462.74

This plan is accepted by the Iowa Clinic and by Des Moines Orthopedic Surgeons (DMOS). The Committee acknowledges that this plan, like most supplemental plans, has a significantly higher premium than the other two options. However, the Committee ultimately felt it was better to provide a choice for those who may be willing to pay more to preserve access to DMOS rather than seek another orthopedic surgeon. Retirees who elect this option should review carefully, the coverage information that will be sent in October. It is also important to note that for purposes of resolving claims questions or issues, the prescription drug and medical plan, while both part of Wellmark, are administered separately. Thus, there will be two separate points of contact for retirees, depending on whether the issue is related to medical claims or prescription drug coverage.