

Frequently Asked Questions Drake University Retiree Benefit Options for January 1, 2009

Q. WHAT CHANGES WILL TAKE EFFECT ON JANUARY 1, 2009?

A. On January 1, 2009 three plans will be offered by Drake University for eligible retirees. The current Humana FFS plan will remain in effect. In addition, two additional plan options will be available: the Humana LPPO Plan and the Wellmark MediBLUE Plan.

Q. HOW IS THE HUMANA LPPO OPTION DIFFERENT FROM THE CURRENT HUMANA FFS PLAN?

A. The key difference is that the Humana LPPO plan is accepted by the Iowa Clinic. Benefit coverage is nearly identical to the current plan offering, except that the hospital co-pay is \$150 a day rather than the higher \$250 per day applicable under the current plan. 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.

Q. WHY OFFER TWO HUMANA PLANS?

A. The key reason for offering the new LPPO plan is that it provides access to the Iowa Clinic for those who live in central Iowa. The current plan is being kept in place to ensure access for a few retirees who reside in states where the LPPO plan is not yet available and for those who do not wish to change plans. (If you are one of the few retirees who will not have access to the LPPO option because your residence is not in a covered area, you received a special letter indicating that is the case and a FAQ customized to your situation).

Q. THE NEW HUMANA PLAN IS CALLED A "LPPO" OPTION, DOES THAT MEAN I'M LIMITED TO A PPO NETWORK?

A. No. While Humana has contracted with certain providers to be in their network, your benefits, co-pays and coverage are the same regardless of whether you see a network provider.

Q. WHAT IS THE WELLMARK MEDIBLUE ALTERNATIVE PLAN?

A. The Wellmark MediBLUE Plan is another plan available to Drake retirees effective January 1, 2009. This plan is being made available largely because of the decision by the Des Moines Orthopedic Surgeons (DMOS) to stop accepting any Medicare Advantage Plans, regardless of the company offering them. Recognizing that there may be some retirees who wish to preserve access to DMOS rather than seek another orthopedic surgeon, the Committee elected to offer the Wellmark plan as an added option.

Q. CAN MY SPOUSE AND I ELECT DIFFERENT PLANS?

A. No. The plan that you elect will be the plan that is applicable to your spouse and dependents.

Q. CAN I CHANGE MY ELECTION IN THE FUTURE?

A. Yes. You can change your election during the open enrollment period each November for a January 1 effective date. Drake sends open enrollment material to all eligible retirees in early November. Given the changing nature of health benefits and the role health care issues are taking in the current political environment, future changes and reviews similar to the one conducted this year seem likely.

Q. IS DRAKE SUBSIDIZING THE PREMIUM FOR DRAKE RETIREES?

A. Yes. Drake continues to provide 75% of the cost of the primary Humana Plan for Drake retirees and 60% of the premium for spouses. Drake is contributing the same dollar amount applicable to the Humana Plan to subsidize the Wellmark MediBLUE Supplemental Plan.

Q. HOW DO I FIND OUT MORE ABOUT THE DIFFERENCES IN COVERAGE BETWEEN THE VARIOUS PLAN OPTIONS?

A. In October, you will receive a mailing from Drake University Human Resources detailing the coverage, cost and conditions of the various plan options. If you are interested in electing one of the new plans being made available on January 1, you should review this information carefully. Then, in early November, you will receive the actual enrollment packet from Human Resources.

Q. IF I WANT TO STAY IN THE CURRENT HUMANA FFS PLAN, DO I HAVE TO FILL OUT ANOTHER ENROLLMENT FORM?

A. No. You only have to fill out an enrollment form and return it to us if you wish to elect one of the new plan options (Humana LPPO Option or the Wellmark MediBLUE option). Remember, you will not receive the actual enrollment forms until early November.

Q. WHY DOES THE WELLMARK MEDIBLUE SUPPLEMENTAL PLAN COST SO MUCH MORE THAN THE HUMANA PLAN?

A. The main reason is that Medicare Supplement plans are structured differently than Medicare Advantage plans. Medicare Advantage plans, such as the ones offered by Humana, actually replace Medicare so that no claims are filed with Medicare. Humana receives a subsidy from the United States government and is, in turn, responsible for administering the plans and paying claims. This is unlike a Medicare Supplement or “Medigap” plan which pays the “gaps” left after Medicare pays claims. It is important to note that Medicare Supplements or “Medigap” policies do not cover services beyond what Medicare covers, but fill in the gaps created by Medicare (deductibles and coinsurance) for Medicare covered services.

Q. WHAT ARE THE NEXT STEPS?

A. In early October, you will receive another mailing from us providing information about each of the plan options. Then, in early November you will receive materials describing the enrollment process. 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.