

BENEFITS PROGRAM BULLETIN

The Informed Employee

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ANNUAL OPEN ENROLLMENT OPPORTUNITY

Once a year, full-time appointed employees have an opportunity to make changes in health care and Personal Accident Insurance coverages. (While current enrollment status will generally continue if participants do not initiate an enrollment change, there are special defaults this year for dental coverage — see Yr. 2000 Dental Plan.)

Full-time appointed employees also have a once-a-year opportunity to elect participation in the University's Tax Saver Benefit (TSB) plan — enrollment is required each year by the IRS to take advantage of related pre-tax reimbursement of health and dependent care expenses. Employees do not need to be enrolled in an IU-sponsored health plan to take advantage of the TSB plan.

Information on TSB and other benefit plans can be found at:
www.indiana.edu/~ubenefit/

This "Open Enrollment" period takes place during November of each year, with enrollment changes becoming effective on January 1. This is an opportunity to:

- Select a different medical plan or drop a plan
- Add or drop dental coverage (if eligible)
- Add, drop or change Personal Accident Insurance
- Allocate contributions for pre-tax reimbursement of 2000 health care and/or dependent care expenses (TSB).

An Open Enrollment packet with additional information and enrollment forms will be sent to full-time appointed employees in late October through campus mail.

LTD PLAN — PREMIUM REDUCTION

As a result of negotiations with TIAA, the plan underwriter, LTD (Long-Term Disability) plan premium rates have recently been reduced by 10%.

In the event a participant becomes disabled due to an accident or illness, LTD plan benefits will provide:

- monthly income payments up to 60% of base salary
- optional retirement benefit accumulations
- annual 3% increases in benefits after the first 36 months

This is inexpensive protection to replace an individual's paycheck, with optional accumulation of retirement benefits, in the event of a disabling accident or illness.

During the first 60 days of becoming eligible, employees can enroll without consideration of their health. After that period, an application for enrollment requires a Statement of Health.

(Unless there is a serious medical condition, most "late" applications for LTD enrollment are accepted.)

LTD premium rates and other information is located at:
www.indiana.edu/~ubenefit/

YR. 2000 IU-SPONSORED HEALTH PLANS

18.1% INCREASE IN MEDICAL PREMIUMS

For 2000, there will be an 18.1% increase in the weighted average adjustment in medical premiums for the University's eight medical plan options. There will also be a 17.4% average increase in dental premiums.

The above percentages are adjustments in total premiums, and employee contributions will increase or decrease based on the difference between total premium and the University's contribution amount. For 2000, the University will contribute the following toward health care plan coverages:

Yr. 2000 Annual University Contributions

	Dental	Medical
Employee Only	\$143.98	\$2,023.05
Employee/Child(ren)	\$205.26	\$3,520.18
Employee/Spouse	\$277.39	\$4,276.83
Family	\$390.66	\$4,597.68

See page 3 for a list of 2000 medical premiums and employee contributions.

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TOBACCO USE AND HEALTH

Public health aspects of tobacco use:

- Smoking costs every person in Indiana \$548 per year for health related costs. ¹
- In 1990, smoking resulted in \$700 million in direct medical costs in Indiana. ²
- Indiana ranks 2nd highest in smoking among 50 states. While many states have decreased the prevalence of smoking, the rate in Indiana continues to increase. ¹
- Tobacco use is the greatest public health issue in the U.S. Nothing else comes close. ³

¹ Project ASSIST: Smokefree Indiana, 1997. ² U.S. Dept. of Health and Human Services, "State Tobacco Control Highlights 1996".

³ National Institutes of Health, "Cancer Rates and Risk," 1996.

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2000 IU-SPONSORED HEALTH PLANS

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Highlights of modifications in plan provisions for 2000:

- **IU PPO Healthcare \$500 and \$900 Deductibles** — new access to BCBS networks in other states for In-network benefits; discontinuation of Healthy Solutions; prescription drug Mail Order “brand” copay will increase to \$30 for up to a 90-day supply (retail and Mail Order “generic” will remain the same); osteopathic manipulations will be treated the same as chiropractic; and mental health coverage will be modified: inpatient limit of 30 days per year will be eliminated, new inpatient deductible of \$250 In-network/\$500 Out-of-network will be added, outpatient limit of 20 visits per year will be eliminated, outpatient office visit copay will increase to \$20 In-network/\$30 Out-of-network; and new \$50 deductible for emergency room will be added (waived if admitted).
- **IU Precision POS** — specialist physician office visit copay will be \$15; the \$50 copay for emergency room will extend to In-network usage; urgent care facility copay will be \$25; and the following coverages will change as described above for the IU PPO Healthcare plan: prescription drug, osteopathic manipulations, and mental health.
- **M-Plan HMO** — will be discontinued in the Kokomo area; emergency room copay will increase to \$75 per visit (waived if admitted); prescription drug benefits will be changed to include coverage for non-formulary drugs through retail with a \$50 copay; and mental health inpatient and outpatient coverage will be changed to a combined limit of 60 days/visits per year, with an outpatient copay of \$15 per visit.
- **IU Health Plan POS**— prescription drug benefit will be changed to include coverage for non-formulary drugs through retail only, with a 50% copay; and mental health inpatient day limit and outpatient office visit limit will be eliminated.
- **Partners HMO** — will be expanded to include employees in the Ft. Wayne area; urgent care facility copay will change to \$40; mental health outpatient office visit copay will be the same as other physicians; and mental health inpatient services will be increased to a limit of 60 days.
- **AHP POS** — will be expanded to include employees in the Kokomo area; and mental health inpatient/outpatient day/visit limits will be eliminated.
- **AHDS HMO** — name changed to “Blue Preferred Primary HMO”

YR . 2000 DENTAL PLAN

In response to employee requests, enhanced dental benefits will be implemented for 2000. Instead of being limited to the dental plan available with each medical plan, there will be one dental plan, with three levels of benefits:

Point-of-Service Dental

1. **Traditional benefits when a non-network dentist is used.** For example: cleaning/exam once a year covered at 100%, other services covered at 50%, \$800 annual maximum, \$500 lifetime child orthodontia coverage, and participant is responsible for any amounts above Usual & Customary charges.
2. **Higher benefits when a CompDent PPO dentist is used.** Same benefits as above, plus second cleaning/exam a year covered at 100% and participant is not responsible for any amount above the contracted fee schedule.

Dental HMO (DHMO)

3. **Highest level of benefits when a CompDent DHMO dentist is used.** For example: two cleanings/exams a year covered at 100% and most other services covered with fixed copay schedule, no annual maximum, and participant is not responsible for any amount above the CompDent copay schedule. Adult and child orthodontia is also covered, based on copayment schedule.

Employees currently enrolled in dental coverage who are not currently enrolled in the CompDent DHMO and who do not submit a new enrollment form during Open Enrollment will be automatically enrolled in the Point-of-Service Dental option for 2000.

CUSTOMER SERVICE CONTACTS

IU PPO Healthcare

- Member Services—Medical
800-382-4055
- Precertification—Medical
317-298-6600 or 800-367-4207
- Provider Network—Medical
800-382-4055 or www.anthem-inc.com

IU Precision POS

- Member Services—Medical
800-331-1199

M-Plan HMO

- Member Services—Medical
317-571-5320 or 800-816-7526
www.mplan.com

IU Health Plan POS

- Member Services—Medical
317-871-8814 or 800-927-7927

Partners HMO

- Member Services—Medical
219-233-4677 or 800-967-5439
- Provider Network
www.partnersindiana.com

AHDS HMO

- Member Services—Medical
502-267-8850 or 800-955-3035
- Mental Health/Chemical Dependency
502-425-9999 or 800-362-1037
- Provider Network
www.anthem-inc.com

AHP POS

- Member Services
800-535-8269
- Provider Network
www.anthem-inc.com

IUPM (IU Psychiatric Management)

- Member Services
800-230-4876

CVS/PharmaCare

- Benefit Inquiries: 800-652-8226
Mail Order: 800-346-9113
CVS Locations: www.CVS.com

CompDent

- Member Services—Dental
800-456-5500
- Provider Network
www.compdent.com/custom/IU

Visit the University Benefits Office Web
Site for more information:
www.indiana.edu/~ubenefit/

2000 MEDICAL PREMIUM RATES (MONTHLY)

(18.1% Increase in Average Premiums)

As a result of the above weighted average increase in medical premiums, IU contributions for medical coverage will increase by 18.1%. IU contributions for dental coverage will increase by 17.4%.

Employees covered by a medical plan with less than a 18.1% increase will experience a reduction in their payroll contributions, and employees covered by a plan with more than a 18.1% increase will experience an increase in their contributions.

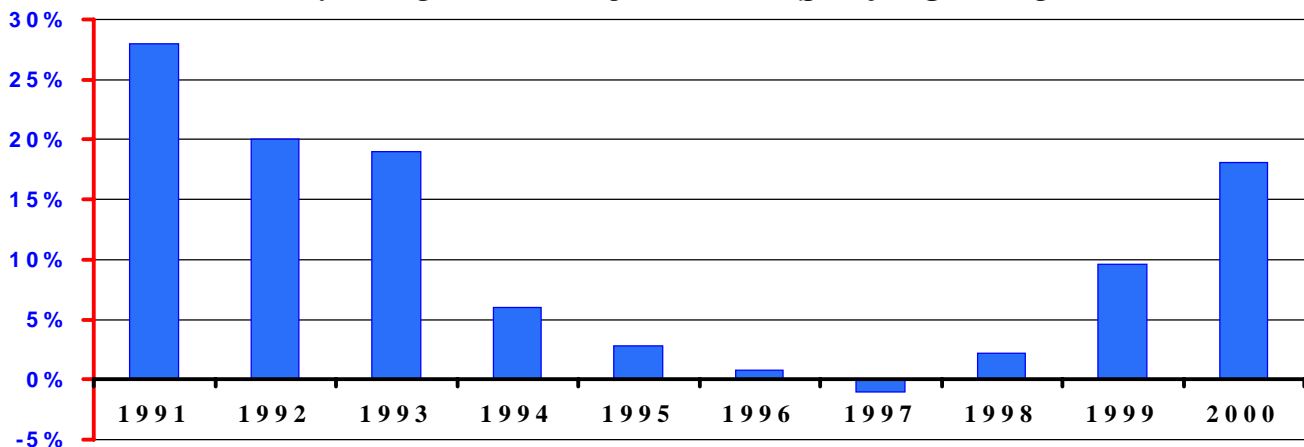
	Total Premium	% of Change	Employee Contribution		Total Premium	% of Change	Employee Contribution
IU PPO Healthcare \$500 Deductible				M-Plan HMO			
Employee	\$255.84	28.9%	\$87.25	Employee	\$172.27	10.0%	\$3.68
Employee/Child(ren)	\$506.66	29.0%	\$213.31	Employee/Child(ren)	\$349.66	10.0%	\$56.31
Employee/Spouse	\$620.50	29.0%	\$264.10	Employee/Spouse	\$426.10	10.0%	\$69.70
Family	\$704.66	29.0%	\$321.52	Family	\$482.58	10.0%	\$99.44
IU PPO Healthcare \$900 Deductible				Partners HMO			
Employee	\$143.63	28.1%	\$1.00	Employee	\$156.08	4.8%	\$1.00
Employee/Child(ren)	\$286.49	28.3%	\$1.00	Employee/Child(ren)	\$298.54	4.8%	\$5.19
Employee/Spouse	\$350.23	28.3%	\$1.00	Employee/Spouse	\$368.72	4.8%	\$12.32
Family	\$397.74	28.2%	\$14.60	Family	\$431.57	4.8%	\$48.43
IU Precision POS				AHDS HMO			
Employee	\$183.11	12.1%	\$14.52	Employee	\$250.22	9.5%	\$81.63
Employee/Child(ren)	\$362.72	12.2%	\$69.37	Employee/Child(ren)	\$455.40	9.5%	\$162.05
Employee/Spouse	\$444.26	12.2%	\$87.86	Employee/Spouse	\$527.96	9.5%	\$171.56
Family	\$504.44	12.2%	\$121.30	Family	\$615.54	9.5%	\$232.40
IU Health Plan POS				AHP POS			
Employee	\$168.24	13.3%	\$1.00	Employee	\$183.11	12.1%	\$14.52
Employee/Child(ren)	\$342.94	16.7%	\$49.59	Employee/Child(ren)	\$362.72	12.2%	\$69.37
Employee/Spouse	\$418.26	16.4%	\$61.86	Employee/Spouse	\$444.26	12.2%	\$87.86
Family	\$472.86	15.8%	\$89.72	Family	\$504.44	12.2%	\$121.30

The % of Change figures represent the increase of Total Premiums from 1999 premiums.

Employee Contributions are lower for non-exempt (bi-weekly paid) employees with an annual base salary of less than \$20,952.

More details of employee contribution amounts, including dental coverage and additional IU subsidy for lower salaries will be included with Open Enrollment materials, to be distributed in late October.

INDIANA UNIVERSITY AVERAGE MEDICAL PLANS % CHANGE



USEFUL FACTS ,FIGURES & STATISTICS

INVESTMENT FUND PERFORMANCE

The following **sample** of retirement investment opportunities reflects average annual total return after all administrative expenses. These figures are based on historical results, and they do not necessarily represent future performance.

	<u>Average</u> 5 yrs.	<u>Annual</u> 10 yrs.	<u>%Return</u> Life	Fund Inception		<u>Average</u> 5 yrs.	<u>Annual</u> 10 yrs.	<u>%Return</u> Life	Fund Inception
Money Market Funds					Stock Funds				
CREF Money Market	5.35	5.42	5.75	4/88	CREF Stock	22.48	16.16	11.79	7/52
Fidelity FMMT Retir.	5.33	5.37	5.55	12/88	CREF Growth	28.02	----	26.59	4/94
Fixed Annuity					International/World Funds				
TIAA Annuity	7.03	7.94	----	----	Fidelity Blue Chip	24.38	22.23	21.32	12/87
Bond Funds					PERF Options				
CREF Bond	7.42	----	8.02	3/90	Money Market Fund	6/30/96	6/30/97	6/30/98	6/30/99
Fidelity Govt. Sec.	6.92	7.81	9.35	4/79	Guaranteed Fund	2.18	5.39	5.53	4.93
Fidelity Inv. Grade	6.70	7.96	8.26	8/71	Bond Fund	8.40	9.00	9.00	8.25
Growth & Income Funds					1 Year % Return				
CREF Soc. Choice	19.16	----	14.97	3/90	S&P 500 Stock Index*	----	33.36	30.16	21.23
Fidelity Fund	26.23	17.95	11.41	4/30	US Small Co Stock*	----	22.36	16.51	-.04
Fidelity Equity Income	21.80	15.56	15.00	5/66	*S&P 500 Index and Russell 2000 (small company)Index one year returns				
Market Indexes									
Dow Jones Ind.	27.34	19.32	----						
S&P 500	27.87	18.78	----						
NASDAQ	31.50	21.17	----						
Russell 2000	15.40	12.39	----						
EAFE	8.33	6.66	----						

Figures for TIAA-CREF and Fidelity Investments and Market Indexes are as of 6/30/99.

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Campus Mail