Slide 1

How To Choose Your Medical Plan

SMU Benefits Open Enrollment
Fall 2012

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Slide 2

Seminar Agenda

- Evaluate Your Personal Benefits Needs
- Review SMU Medical Plan Options
- Which Plan Benefits U?
- Make Your Benefits Elections Online

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Slide 3

Evaluate Your Needs

Thinking Through Your
Health and Financial Needs

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Slide 4

2013 Medical Plan Premiums

- SMU will continue to offer the $1,000, $2,000 and $2,500 deductible options
- SMU is adding a fourth coverage option in 2013 - a $5,000 deductible option
- The chart below outlines the medical plan premiums for 2013, dental and vision plan premiums will remain the same

Medical Plan Option	Coverage Level	Employee Bi-Weekly Premiums	Employee Monthly Premiums	SMU Monthly Premiums
$1,000 Deductible	Employee Only	$83.30	$180.49	$408.26
	Employee + Spouse	$179.34	$388.58	$906.67
	Employee + Child(ren)	$165.56	$358.71	$877.67
	Family	$259.08	$561.34	$1,322.66
$2,000 Deductible	Employee Only	$41.11	$89.07	$428.26
	Employee + Spouse	$88.36	$191.45	$946.67
	Employee + Child(ren)	$82.49	$178.73	$907.66
	Family	$128.22	$277.80	$1,377.65
$2,500 Deductible	Employee Only	$13.85	$30.00	$428.26
	Employee + Spouse	$28.38	$61.50	$946.67
	Employee + Child(ren)	$25.24	$54.68	$907.66
	Family	$40.97	$88.77	$1,377.65
$5,000 Deductible	Employee Only	$6.92	$15.00	$290.53
	Employee + Spouse	$15.23	$33.00	$639.17
	Employee + Child(ren)	$13.85	$30.00	$581.07
	Family	$22.15	$48.00	$929.71

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Think About Your Health Needs

Ask Yourself:

How healthy are you and your family members?

Do you anticipate staying in the hospital, needing surgery, or having a baby?

Consider…

Reviewing your prior medical and prescription claims cost history online. BCBS allows you to download a spreadsheet!

Contacting your Compass Health Pro to obtain cost estimates of anticipated procedures.

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Slide 6

Think About Your Financial Needs

Ask Yourself:	***Consider…***
How much will you spend on out-of-pocket medical expenses and premiums?	Think carefully about your medical plan election. If you don't think you will meet your deductible, you could be paying for more coverage than you need.
What is your risk tolerance?	There is a trade-off on out-of-pocket expenses like deductibles with premiums.
Do you have enough savings to cover your out-of-pocket expenses?	Before choosing a medical plan option with lower premiums and higher deductibles, be sure you can afford an unexpected medical event; or consider contributing to a tax- advantaged FSA or HSA.

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Slide 7

How to Contribute to the Health Savings Accounts (HSAs) and Flexible Spending Accounts (FSAs)

Take Advantage of Tax Savings

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Tax Free Savings Accounts

- **If you enroll in the $1,000 or $2,000 Deductible options, you may enroll in a FSA.**
- **If you enroll in the $2,500 or $5,000 Deductible options, you may enroll in a HSA.**

	Flexible Spending Account (FSA)	Health Savings Account (HSA)
Tax-free savings?	Yes	Yes
2013 IRS contribution limit?	$2,500 per Individual	$3,250 Individual; $6,450 Family
Account balance rolls over at end of calendar year?	No, use it or lose it	Yes
Account balance available after termination of employment?	Only for qualified expenses incurred during year termination occurs	Yes
Account balance may be used for eligible expenses incurred by qualified dependents?	Yes	Yes
Account ownership?	FSA account is opened and owned by SMU; unused balance forfeits to SMU	HSA bank account is opened, owned, and operated by the participant
Access to funds?	Participant has access to entire annual election amount (Healthcare FSA only) any time during the year, even if the funds have not yet been deducted from the participant's paycheck and deposited into account	Similar to a bank account, participant only has access to funds that have been deposited into the account
Verification of expenses required?	Discovery Benefits may require documents (e.g., receipts, Explanation of Benefits, etc.) to substantiate the eligibility of expenses	Mellon Bank does not "police" the account but it is important to keep all receipts and documentation in the event of a personal IRS audit

IMPORTANT: FSA/HSA Contributions May Affect Future Social Security Benefits
Since FSA/HSA contributions reduce your current taxable income, you reduce your FICA tax and federal income tax. However, FSA/HSA contributions also lower the earnings that are reported to the Social Security Administration for purposes of calculating your future Social Security benefit. It may be advisable to set aside funds in an account other than an FSA/HSA to ensure that you have funds available to pay for out-of-pocket healthcare expenses.

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Slide 9

Review SMU's Health & Wellness Plan Options

Key Differentiators Between Plans

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Slide 10

Plan Options At A Glance

Medical Plan Option	Preventive Care Visits	Physician Office Visits	Emergency Room	Inpatient Hospital Care	Retail Pharmacy
$1,000 Deductible	Plan pays 100%	PCP = $25 Copay Specialist = $40 Copay	$100 Copay, then $1,000 deductible, then 20% up to $5,000 OOP	$1,000 deductible, then 20% up to $5,000 OOP	Generic = 30% $100 brand deductible, then: Preferred = 30% Non-Preferred= 50%
$2,000 Deductible	Plan pays 100%	PCP = $25 Copay Specialist = $40 Copay	$100 Copay, then $2,000 deductible, then 20% up to $5,000 OOP	$2,000 deductible, then 20% up to $5,000 OOP	Generic = 30% $100 brand deductible, then: Preferred = 30% Non-Preferred= 50%
$2,500 Deductible	Plan pays 100%	$2,500 deductible, then Copays apply	$2,500 deductible, then then $100 copay applies	$2,500 deductible, then the Plan pays 100%	$2,500 deductible, then: Generic = 30% Preferred = 30% Non-Preferred= 50%
$5,000 Deductible	Plan pays 100%	$5,000 deductible, then Plan pays 100%	$5,000 deductible, then the Plan pays 100%	$5,000 deductible, then the Plan pays 100%	$5,000 deductible, then the Plan pays 100%

All examples reflect in-network benefits for an individual. Deductible and out-of-pocket costs are higher when more than one member of the family is utilizing care during the plan year.

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Insurance Cost Trade-Off

*Would you rather have **higher premiums** up front and pay less when you receive care?*

*Or would you rather have **lower premiums** and pay higher deductibles when/if you actually use the plan?*

Medical Plan Option	Coverage Level	Annual Deductible	Annual Out-of-Pocket Maximum*	Annual Premiums	Annual Total Out-of-Pocket Liability
$1,000 Deductible	Employee Only	$1,000	$5,000	$2,166	$7,166
	Employee + Spouse	$2,000	$10,000	$4,663	$14,663
	Employee + Children	$3,000	$10,000	$4,305	$14,305
	Family	$3,000	$10,000	$6,736	$16,736
$2,000 Deductible	Employee Only	$2,000	$5,000	$1,069	$6,069
	Employee + Spouse	$4,000	$10,000	$2,297	$12,297
	Employee + Children	$6,000	$10,000	$2,145	$12,145
	Family	$6,000	$10,000	$3,334	$13,334
$2,500 Deductible	Employee Only	$2,500**	$5,000	$360	$5,360
	Employee + Spouse	$5,000**	$10,000	$738	$10,738
	Employee + Children	$5,000**	$10,000	$656	$10,656
	Family	$5,000**	$10,000	$1,065	$11,065
$5,000 Deductible	Employee Only	$5,000***	$5,000	$180	$5,180
	Employee + Spouse	$10,000***	$10,000	$396	$10,396
	Employee + Children	$10,000***	$10,000	$360	$10,360
	Family	$10,000***	$10,000	$576	$10,576

*Annual Out-of-Pocket Maximum includes your deductible, co-pays, and co-insurance.
**Once the Annual Deductible is met, the plan pays 100% for inpatient/outpatient services. You will continue to pay office visit co-pays and prescription drug coinsurance until you reach the Annual Out-of-Pocket Maximum.
***Once the Annual Deductible is met, the Annual Out-of-Pocket Maximum is also met so the plan pays 100% for all remaining services.

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Scenario #1: Managed Cholesterol

- **Ingrid sees her physician once a year for her annual preventive exam. She has her blood work drawn, and receives her age-recommended screenings.**
  - The BCBSTX contracted rate for her exam is $550.
- **High cholesterol is prevalent in her family history, and Ingrid's condition is under regular management by her generic cholesterol-lowering medication.**
  - The Express Scripts/Medco contracted rate for her prescription is $94 annually.

Medical Plan Option	"Employee Only" Annual Premium	Employee's Share Preventive Costs	Employee's Share Prescription Costs	Employee Total Cost	Out of Pocket Remaining
$1,000 Deductible	**$2,166**	**$0** Deductible is waived; Preventive Care Covered at 100%	**$40** 30% of the $7.86 drug cost ($3.31 every month) for a year	**$2,206**	**$4,960**
$2,000 Deductible	**$1,069**	**$0** Deductible is waived; Preventive Care Covered at 100%	**$40** 30% of the $7.86 drug cost ($3.31 every month) for a year	**$1,109**	**$4,960**
$2,500 Deductible	**$360**	**$0** Deductible is waived; Preventive Care Covered at 100%	**$94** 100% of the $7.85 drug cost every month for a year; until the deductible is met	**$454**	**$4,906**
$5,000 Deductible	**$180**	**$0** Deductible is waived; Preventive Care Covered at 100%	**$94** 100% of the $7.85 drug cost every month for a year; until the deductible is met	**$274**	**$4,906**

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Scenario #2: Outpatient Knee Surgery

- **After John's doctor recommends that he needs a knee surgery, John calls his Compass Health Pro to determine what his doctor will charge for the procedure.**
- **John's doctor has privileges at two facilities and John asks his Compass Health Pro to schedule his procedure at the most cost-effective facility– while keeping his doctor!**
  - The BCBS contracted rate for his surgery is $15,000.
  - John also has 5 office visits with his physician; the BCBS contracted rate for each office visit is $170.

Medical Plan Option	"Employee Only" Annual Premium	Employee's Share Outpatient Costs	Employee's Share Office Visit Costs	Employee Total Cost	Out of Pocket Remaining
$1,000 Deductible	**$2,166**	**$5,000** $1,000 calendar year deductible then 20% of remaining eligible charges up to $5,000 out-of-pocket max	**$200** $40/visit * 5 visits	**$7,336**	**$0**
$2,000 Deductible	**$1,069**	**$5,000** $2,000 calendar year deductible then 20% of remaining eligible charges up to $5,000 out-of-pocket max	**$200** $40/visit * 5 visits	**$6,269**	**$0**
$2,500 Deductible	**$360**	**$2,500** $2,500 calendar year deductible then plan pays 100%; then copays apply	**$200** $40/visit * 5 visits	**$3,060**	**$2,300**
$5,000 Deductible	**$180**	**$5,000** $5,000 calendar year deductible then plan pays 100%	**$0** OOP max already met	**$5,180**	**$0**

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Scenario #3: Maximize the Prescription Drug Plan

	$1,000	$2,000	$2,500	$5,000
Brand Drug	**Zocor**	**Zocor**	**Zocor**	**Zocor**
Total Cost per Script	**$64**	**$64**	**$64**	**$64**
You Pay	$19	$19	$64	$64
SMU Pays	$45	$45	$0	$0
Generic Drug Equivelent	**Simvastatin**	**Simvastatin**	**Simvastatin**	**Simvastatin**
Total Cost per Script	**$7**	**$7**	**$7**	**$7**
You Pay	$2	$2	$7	$7
SMU Pays	$5	$5	$0	$0
Your Total Monthly Savings	**$17**	**$17**	**$57**	**$57**
Your Total Annual Savings	**$207**	**$207**	**$689**	**$689**

	$1,000	$2,000	$2,500	$5,000
Brand Drug	**Nexium**	**Nexium**	**Nexium**	**Nexium**
Total Cost per Script	**$197**	**$197**	**$197**	**$197**
You Pay	$59	$59	$197	$197
SMU Pays	$138	$138	$0	$0
Generic Drug Equivelent	**Omeprazole**	**Omeprazole**	**Omeprazole**	**Omeprazole**
Total Cost per Script	**$24**	**$24**	**$24**	**$24**
You Pay	$7	$7	$24	$24
SMU Pays	$17	$17	$0	$0
Your Total Monthly Savings	**$52**	**$52**	**$172**	**$172**
Your Total Annual Savings	**$620**	**$620**	**$2,065**	**$2,065**

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Slide 15

Which Plan Benefits U

Targeted Selections to Optimize Your Medical Plan Election

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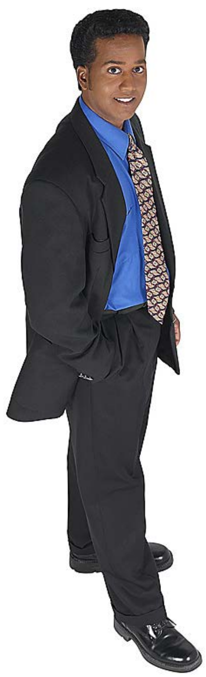
Slide 16

Mitch, Age 31



Faculty Member

- Single with no children
- Health Status:
  Excellent—only sees his doctor annually for routine check-up
- Health Goal:
  Minimize health care costs; maintain excellent health

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Recommendations for Mitch

1. Consider the $5,000 deductible plan
   —lower premiums and preventive care covered at 100%

2. Create and maintain HSA for future or unanticipated events — *save tax free now for future medical care; unused balance rolls over from year to year*

3. Participate in Wellpower to maintain health
   — free to benefit-eligible faculty & staff; earn rewards

4. Complete recommended preventive care screenings — *covered at 100%; free onsite biometric screening provided once per year*

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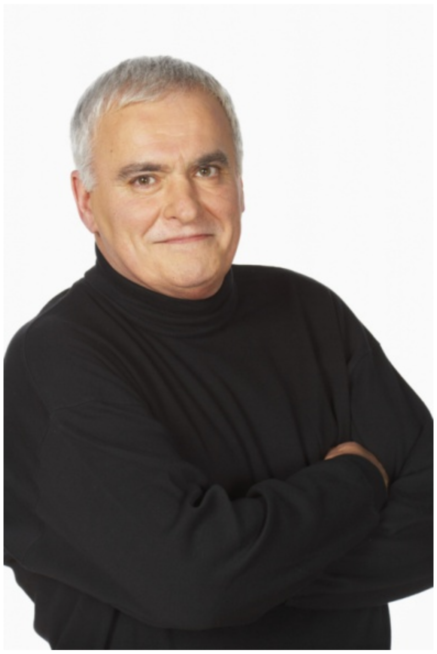
Henry, Age 62



Staff Member

- Domestic Partner
- No children
- Health Status:
  Good—Has monthly office visits with physician to manage diabetes and takes monthly medications
- Health Goal:
  Have the lowest out of pocket cost when receiving care; continue to manage his condition

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Recommendations for Henry

1. Consider the $2,000 deductible plan
   —copays apply for monthly non-preventive care physician office visits and medications

2. Contribute to a Flexible Spending Account (FSA) to cover office visits and medications
   — save tax free for medical care during the plan year

3. Apply to the next Naturally Slim Healthy Lifestyles Class — *class is aimed at reducing risk factors for heart disease, including high cholesterol*

4. Complete recommended preventive care screenings — *covered at 100%; free onsite biometric screening provided once per year*

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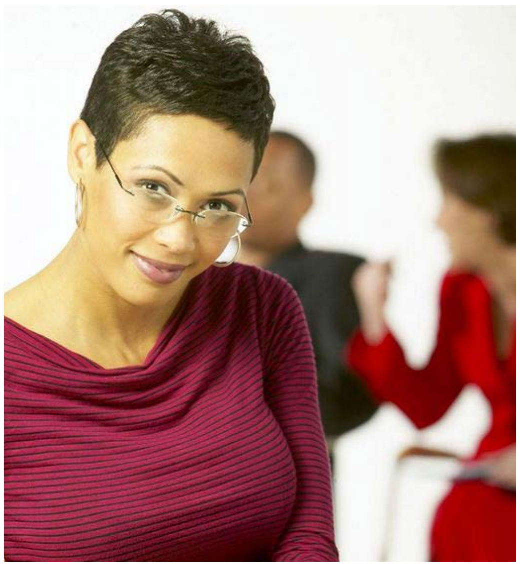
Sondra, Age 45

Staff Member



- Single with no children
- Health Status:
  Serious—Major health event
- Health Goal:
  Treat her Stage 2 breast cancer through chemotherapy and radiation

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Recommendations for Sondra

1. Consider the $2,500 deductible plan
   —lower monthly premiums and same preventive care
   — plan pays 100% for inpatient hospital care once deductible is met , then office visit & Rx copays apply

2. Estimate annual expenses for tests, office visits and medication; contribute to an HSA
   — save tax free for medical care during plan year

3. Contact Compass Health Pro
   — get assistance in managing hospital and physician bill review with BCBSTX

4. Complete recommended preventive care screenings
   — covered at 100%; free onsite biometric screening provided once per year

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Sam, Age 50

Faculty Member

- Married with two children in college, one attends SMU and the other attends UC Berkeley
- Health Status:
  Fair — Needs help to maintain an active lifestyle and lower his high cholesterol
- Health Goal:
  Stay in compliance with monthly maintenance medications; ensure both children have good medical care options

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Recommendations for Sam

1 **Consider $2,500 deductible plan**
— out-of-state child will have excellent network coverage with strong BCBS network and Sam reduces his per pay period medical premium cost

2 **Contact Compass Health Pro for help managing cholesterol condition costs**
— consider a generic substitute to save money

3 **Participate in Wellpower to maintain health**
— free to benefit-eligible faculty & staff; earn rewards

4 **Complete recommended preventive care screenings**
— covered at 100%; free onsite biometric screening provided once per year

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Elaine, Age 33

Staff Member

- Married, pregnant with first child
- Health Status
  Mother and baby are doing well
- Health Goal
  Receive good care at a reasonable cost; plan for expenses associated with a new child and secure medical coverage for the baby once he or she arrives

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Recommendations for Elaine

1. Consider the $2,500 deductible plan
   —lower monthly premiums and same preventive care
   — plan pays 100% for inpatient hospital care once deductible is met
2. Contact Compass Health Pro to estimate upcoming maternity expenses
   — contribute to HSA so save tax free for medical expenses
3. Enroll in BCBSTX Special Beginnings
   — contact HR after baby's arrival to enroll the child in the health plan
4. Consider adding a Dependent Care FSA
   — to cover anticipated qualified childcare expenses

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Make Your Benefit Elections Online

- Logon to Access.smu between 14th and 31st of October
- Click to on Employee Self-Service
- Click Benefits, then Benefits Enrollment
- Follow the directions to make your 2013 benefit elections

Questions?
Email benefits@smu.edu
or call 8-3311

Helpful Resources

- 2013 Benefits Highlights
- 2013 Benefits Guide
- Benefits website at smu.edu/hr/benefits
- Human Resources Benefits Specialists
  - Email: **benefits@smu.edu**
  - Call: **8-3311**
- Contact Compass Health Pro
  - **answers@compassphs.com**
  - **1-800-513-1667 X726**

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