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2011 BENEFITS WORKBOOK

FOR DOMESTIC PART-TIME EMPLOYEES

TAKE CHARGE OF YOUR BENEFITS

OPEN ENROLLMENT FOR 2011 BENEFITS

October 25 - November 23, 2010

BENEFITS & FITNESS FAIR

Wednesday, November 3, 2010, 11 am - 4 pm

University Center - Rangos, Pittsburgh Campus



For more information about 2011 benefits, go online to <http://www.cmu.edu/hr/benefits>.

Carnegie Mellon
HUMAN RESOURCES

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New for 2011

1. Good news!! No rate increase for your medical, prescription, or life and accidental death & dismemberment insurance benefits.
2. Adult children up to age 26 are now eligible for coverage under your medical and prescription plans.

Make Elections Online Through HR Connection

To enroll in or change your benefits, use the online HR Connection self-service system. HR Connection is designed to be user-friendly. Follow the instructions and read all of the information on the screen. Note that rate information will be displayed PER PAY (biweekly or monthly). You may change the display (using the buttons in the upper right corner of the tables) to view annual rates.

1. Go to http://www.cmu.edu/hr/benefits/hr_connection.html and click on the HRC logo (see right).
2. You will need your Andrew user name and password, HR Connection password, Primary Care Physician codes and dependent data.

If you forget or do not have a HR Connection password, please follow the online instructions.

3. Contact the HR Systems Help Desk at hrit@andrew.cmu.edu with any technical problems.
4. If you exit the system in the middle of the module or are inactive for more than 20 minutes, your elections will be lost and you will need to start over.
5. **You must re-enter your HRC password to save your changes. If you exit without doing so, your changes will be lost.**

NOTE: HR Connection is not available from 1:00 am–3:00 am EST nightly for maintenance. Technical support is available weekdays, from 8:30 am to 5:00 pm EST.

Coordination of Benefits

Individuals who are covered under another medical plan will have their Carnegie Mellon benefits coordinated with the benefits payable under the other plan. The benefits offered through one's employer take precedence over those in which they are covered as a dependent. No charges will be covered under more than one plan.

This is a Summary

This workbook contains summaries of the options provided in each benefit category. It is intended to help you choose among the available options. You may obtain additional information from the HR web site at <http://www.cmu.edu/hr/>. The web site also provides links to the carriers and plan booklets.

This booklet and our web resources are not intended to take the place of plan documents.

If there is a conflict between this workbook and the plan documents, the plan documents will govern. The Benefits Office maintains the Summary Plan Description (SPD), which contains more detailed information.

The SPD can be found online on the HR web site at http://www.cmu.edu/hr/benefits/benefit_admin/plans. Contact the Benefits Office at 412-268-2047 or by email to hrhelp@andrew.cmu.edu to obtain a hard copy of the SPD.

Carnegie Mellon reserves the right to modify, amend, or terminate any or all of the provisions of these benefits or the plan documents at any time for any reason upon appropriate action by the university. Notwithstanding any of the prior statements, in all cases, university policies will govern.



Who Is Part-Time Benefits Eligible

Part-time, benefits eligibility is granted to faculty, staff, Campus Police Association, or Teamsters Local 249 employees who:

- work at least 17.5 hours per week or 46.7% of a full-time schedule
- are in an active appointment of at least 4 consecutive months (serial appointments of less than four months each do not satisfy this requirement)

Eligible employees may also cover their eligible dependents under certain benefits. Eligible dependents include your:

- your spouse or registered domestic partner
- your children up to their 26th birthday for medical and prescription
- your unmarried dependent children up to age 19, up to age 23 if a full-time student, for dental, vision and dependent life insurance
- your unmarried, dependent children who, upon attainment of age 19, were covered under the particular benefit and were disabled as defined in the information provided by the third party administrator or insurance company

Full-time employees and those on an international assignment are eligible for different benefits, and should refer to the Benefits Workbook for their employment status.

Healthy Solutions Benefits

Carnegie Mellon offers a broad range of benefit options under the Healthy Solutions umbrella.

You can choose to participate in the medical, prescription drug, and life and accidental death and

dismemberment insurance programs.

The contributions for all of these benefits are deducted from your pay before taxes are assessed, saving you money!

However, IRS regulations impact the pre-tax nature of benefits provided for a domestic partner who cannot be claimed as a dependent for federal tax purposes (see page 12.)

Work-Life and Retirement Benefits

The university also provides many benefits for eligible faculty and staff that do not need to be selected during Open Enrollment.

Part-Time Work-Life Benefits That Do Not Require Open Enrollment Elections Include:

- Carnegie Mellon contributions into a 403(b) retirement account if you work at least 1,000 hours per employment year
- Employee supplemental retirement contributions into a tax-deferred or Roth retirement account
- Tuition benefits for employees
- Credit toward service requirement for tuition benefits for children
- Child Care benefits (Get Well Room discount, Child Care Search tool)
- Free use of the Allegheny County Port Authority Transit (PAT) system
- Discounts on Ford Motor Company and General Motors makes and models
- Ceridian LifeWorks employee assistance plan and life management resources
- Learning and Development programs
- Carnegie Mellon ID card (and the access and discounts associated with it)
- Financial benefits (WorkPlace Banking through PNC Bank and Citizens Bank, real estate services through Howard Hanna, wireless telephone services)

To learn more about these benefits and their eligibility requirements, go to the Human Resources web site at <http://www.cmu.edu/hr/benefits>.

Enrollment in Work-Life Benefit Programs

Enrollment in Work-Life Benefits is not necessarily automatic. You should apply for the benefit at the time you wish to take advantage of it, according to the procedures for that particular benefit program.

See the HR web site at <http://www.cmu.edu/hr> for more information on other benefit programs and their enrollment processes.

Enrolling In Benefits at Open Enrollment

Each year, Open Enrollment (OE) provides you the opportunity to review your benefits coverage and make new elections, if desired and allowed, for the upcoming calendar year.

If you do not actively select your benefits for the upcoming year, you will be enrolled in the same benefit plans at the same level of participation that you have in the current year.

Elections made during Open Enrollment will become effective the following January 1. **Unless you experience a qualified life or family status change (see below), Open Enrollment is the only time during the year when you may change your benefit elections.**

New Employee Benefits Enrollment

New employees must enroll in benefits within 31 days of their hire date using HR Connection's New Employee module. Your choices will be in effect for the remainder of the calendar year, unless you experience a qualified life or family status change (see below).

Benefits Effective Date

If your hire date is the 1st of the month, your benefits effective date is the same. If your hire date is after the 1st, your benefits effective date is the 1st of the following month.

Default Benefits for New Hires

New part-time hires who do not submit their benefit choices or "opt-out" decision within 31 days of their hire date are automatically opted out of health coverage. (See right.) In addition, until you complete the retirement plan application, university retirement contributions will be invested into an age-appropriate TIAA-CREF Lifecycle Account.

Life/Family Status Changes Outside of Open Enrollment

Family or life changes sometimes require you to change your benefits. Following IRS regulations, you can make changes consistent with your status change within 31 days of the date the status change occurred.

- In most circumstances, you may not change the carrier or option (e.g. UPMC to Highmark, or PPO Option 2 to PPO Option 1), but you may modify the level of your coverage (e.g. employee and spouse to family coverage).
- Changes must be made within 31 days of the status change. If you miss the 31 day period, you must wait until the next Open Enrollment to make changes.
- Changes should be made using HR Connection's Life Changes module (see page 3).
- Supporting documentation - such as a birth certificate, marriage license, or proof of new coverage - is required to verify a status change.

See page 20 for a list of qualifying life or family status changes that permit you to make benefit changes mid-year.

Need Assistance Enrolling?

Human Resources is available to assist you in understanding your benefit options. To reach us:

- Send an e-mail to hrhelp@andrew.cmu.edu.
- Schedule a one-on-one enrollment session (20 minutes) with a Benefits Specialist. Call 412-268-2047 to schedule.
- Call the HR Benefit Office at 412-268-2047 Monday through Friday, from 8:30 a.m. to 5:00 p.m. for telephone assistance
- Come to the Benefits & Fitness Fair during Open Enrollment.

Default Benefits

If you do not actively select benefits when you are hired, you will not be enrolled in medical, prescription or supplemental AD&D insurance. However, you will be automatically enrolled into the basic life insurance benefit.

New eligible employees will also be defaulted to a TIAA-CREF Lifecycle Fund for their university retirement contributions, with no employee supplemental contributions.

Preventive Care Benefits

Our plans pay 100% of in-network adult and pediatric preventive care services, according to their preventive care schedule. You will not be required to pay a copay, deductible or coinsurance.

Couples Working for Carnegie Mellon

Individuals can only be covered under one Carnegie Mellon plan at a time. Each person may have their own coverage and cover different dependents.

Residing Outside of Western PA

Highmark and UPMC have affiliated U.S. networks outside of the Pittsburgh area. Employees located outside of Western PA may not select the HealthAmerica HMO. Employees on an international appointment are eligible for coverage through our international benefits plan.

Medical

You can select plans from the UPMC, Highmark or HealthAmerica carriers. To be sure your current provider is in a particular carrier’s network, contact the carrier or provider directly or online.

Preferred Provider Organization (PPO) Plans

(Available from UPMC and Highmark)

PPO plans give you the flexibility to use in- or out-of-network providers without referrals. A higher level of benefits is provided when in-network providers are used, resulting in lower out-of-pocket costs for you.

High-Deductible PPO with HRA Plans

(Available from UPMC and Highmark)

Carnegie Mellon funds a Health Reimbursement Account to help pay

for eligible health care expenses. Once your health care expenses for the year exceed your deductible, the PPO plan begins paying benefits. You will pay out-of-pocket for any charges that exceed your HRA balance before the deductible is satisfied. Unused HRA funds can be rolled over to the following year, up to a maximum of three years accumulation.

Health Maintenance Organization (HMO) Plan

(Available from HealthAmerica)

HMOs have low out-of-pocket expenses, but do not provide benefits if you use out-of-network providers. You will select a primary care physician who will help coordinate your care, although referrals are not required in most circumstances.

Comprehensive (Indemnity) Plan

(Available from Highmark)

This plan makes no distinction between in-network and out-of-network providers – the plan pays the same for all services. However, participating providers have agreed to accept the insurance reimbursement as payment in full and cannot bill you for additional charges.

Opting Out of Coverage

You can opt out of Carnegie Mellon medical coverage. Individuals are strongly encouraged to enroll in one of our plans if they are not covered under another policy.

Medical Insurance Terms and Features to Understand

Network: The providers (doctors, hospitals, facilities) that have contracted with an insurance carrier to accept that insurance plan’s rates as payment-in-full.

Deductible: The amount you must pay each year before coinsurance payments will be made by the plan. Deductibles vary. Plans with out-of-network coverage have separate deductibles for in-network and

out-of-network services, except for the Comprehensive plan.

Copay: An amount you must pay up front for in-network office visits. The copay does not count toward the deductible or out-of-pocket maximum.

Coinsurance: The percentage of covered expenses that the plan will pay, after you have met your deductible. You pay the rest,

up to an annual out-of-pocket maximum.

Out-of-Pocket Maximum: The amount you would pay in coinsurance and deductibles for covered expenses in a year before the plan will cover 100% of services (excluding copays). Plans with out-of-network coverage have separate maximums for in-network and out-of-network services, except

for the Comprehensive plan.

Usual, Customary & Reasonable (UCR): The fees set by carriers that reflect typical rates for services in your area. In-network providers agree to accept the plan’s UCR as payment in full; out-of-network providers may bill you for their charges in excess of the plan’s UCR.

2011 Medical Plan Comparison

Plan Feature	PPO Option 1	PPO Option 2	PPO Option 3	High Deductible PPO with HRA	HMO	Comprehensive
Carrier Choices	Highmark, UPMC	Highmark, UPMC	Highmark, UPMC	Highmark, UPMC	HealthAmerica	Highmark
Annual Deductible (Indiv/Family)^{1, 2}						
- In-Network Provider	\$250 / \$500	\$250 / \$500	\$500 / \$1,000	\$1,000 / \$2,000	\$0 / \$0	\$500 / \$1,000
- Out-of-Network Provider	\$500 / \$1,000	\$500 / \$1,000	\$1,000 / \$2,000	\$2,000 / \$4,000	Not covered	
Annual Out-of-Pocket Max (Indiv/Family)²						
- In-Network Provider	Deductible only	\$1,500 / \$3,000	\$3,000 / \$6,000	\$4,500 / \$9,000	None	\$2,500 / \$5,000
- Out-of-Network Provider	\$3,000 / \$6,000	\$3,000 / \$6,000	\$4,500 / \$9,000	Unlimited	Not covered	
Plan Coinsurance Responsibility						
- In-Network Provider	(After deductible.) 100%	(After deductible.) 80%	(After deductible.) 80%	(After deductible.) 80%	(After deductible.) 100%	(After deductible.) 80%
- Out-of-Network Provider	60% of UCR ³	60% of UCR ³	60% of UCR ³	60% of UCR ³	Not covered	80% of UCR ³
Carnegie Mellon HRA Contribution						
Individual Coverage/Family Coverage	Not applicable	Not applicable	Not applicable	\$250 / \$500	Not applicable	Not applicable
Physician Visit (Copay/Coinsurance)						
In-Network						
- Office Visit: Primary Care / Specialist	\$20 / \$35	\$20 / \$35	\$20 / \$35	80%	\$15 / \$30	80%
- Preventive Care (per schedule) ²	\$0	\$0	\$0	\$0	\$0	\$0
- ER Visit (waived if admitted)	\$50	\$50	\$50	80%	\$50	80%
Out-of-Network						
- Primary Care and Specialist Office Visit	60% of UCR ³	60% of UCR ³	60% of UCR ³	60% of UCR ³	Not covered	80% of UCR ³
- Preventive Care	60% of UCR ³	60% of UCR ³	60% of UCR ³	60% of UCR ³	Not covered	80% of UCR ³
- ER Visit (waived if admitted)	\$50	\$50	\$50	80%	\$50	80% of UCR ³
Primary Care Physician Required	No	No	No	No	Yes	No

¹ - The deductible and copay do not apply when adult or pediatric preventive care are performed according to the plan's schedule. If tests or lab work that are not on the plan's preventive care schedules are performed, the individual's portion of the cost will be applied to the deductible.

² - The deductible and out-of-pocket maximum are tracked separately for in- and out-of-network services under all plans, except the Comprehensive plan.

³ - UCR = usual, customary, and reasonable charges the carrier has established for medical services. Out-of-network providers may bill you for their charges in excess of the UCR. Expenses in excess of UCR **do not** count toward the out-of-pocket max.

Medical Insurance Employee Contribution

These medical plan rates do NOT include the cost of prescription coverage. See the next page for prescription drug insurance rates.

To calculate your total medical plus prescription coverage costs, add together the rates for the medical plan you

have selected and the prescription drug coverage you have chosen.

Please note that you must cover the same individuals under both your medical and prescription coverage. In other words, if you elect to cover yourself and one child under your medical plan, then you

must cover yourself and that same child under your prescription drug plan.

All plans will give you a choice of two prescription plans through Caremark.

The biweekly and monthly rates listed below are deducted from your pay before taxes are assessed.

However, IRS regulations require that the amount you contribute to cover a domestic partner who does not meet the IRS definition of a dependent, and the amount Carnegie Mellon contributes for that domestic partner coverage must be taxed (see page 12.)

Medical Coverage: Biweekly/Monthly Part-Time Employee Contributions for 2011

Coverage	PPO 1	PPO 2	PPO 3	HRA	HMO	Comp.
Employee						
Highmark	\$118.75 / \$237.50	\$100.25 / \$200.50	\$85.75 / \$171.50	\$80.00 / \$160.00	N/A	\$229.25 / \$458.50
HealthAmerica	N/A	N/A	N/A	N/A	\$70.75 / \$141.50	N/A
UPMC	\$92.75 / \$185.50	\$75.00 / \$150.00	\$63.50 / \$127.00	\$58.00 / \$116.00	N/A	N/A
Employee & 1 Child						
Highmark	\$220.75 / \$441.50	\$188.75 / \$377.50	\$164.25 / \$328.50	\$151.25 / \$302.50	N/A	\$408.25 / \$816.50
HealthAmerica	N/A	N/A	N/A	N/A	\$136.75 / \$273.50	N/A
UPMC	\$176.25 / \$352.50	\$144.25 / \$288.50	\$123.75 / \$247.50	\$109.00 / \$218.00	N/A	N/A
Employee & Multiple Children						
Highmark	\$249.75 / \$499.50	\$214.50 / \$429.00	\$187.00 / \$374.00	\$172.00 / \$344.00	N/A	\$459.50 / \$919.00
HealthAmerica	N/A	N/A	N/A	N/A	\$156.00 / \$312.00	N/A
UPMC	\$200.00 / \$400.00	\$164.50 / \$329.00	\$140.75 / \$281.50	\$124.25 / \$248.50	N/A	N/A
Employee & Spouse/Domestic Partner						
Highmark	\$278.75 / \$557.50	\$239.75 / \$479.50	\$209.25 / \$418.50	\$193.00 / \$386.00	N/A	\$510.75 / \$1021.50
HealthAmerica	N/A	N/A	N/A	N/A	\$175.50 / \$351.00	N/A
UPMC	\$223.75 / \$447.50	\$184.75 / \$369.50	\$158.00 / \$316.00	\$139.75 / \$279.50	N/A	N/A
Family (Employee, Spouse/Domestic Partner, and Child[ren])						
Highmark	\$394.50 / \$789.00	\$340.75 / \$681.50	\$299.00 / \$598.00	\$276.50 / \$553.00	N/A	\$714.50 / \$1429.00
HealthAmerica	N/A	N/A	N/A	N/A	\$252.00 / \$504.00	N/A
UPMC	\$319.00 / \$638.00	\$265.00 / \$530.00	\$226.25 / \$452.50	\$201.00 / \$402.00	N/A	N/A

Prescription Drugs

Caremark is our prescription drug carrier. The prescription coverage provides access to numerous chain and independent pharmacies. They also provide mail order service for maintenance medications to help control costs for you and the university.

The options differ by: employee contribution rates, copays/coinsurance rates, and coverage for non-formulary drugs.

Prescription and Medical Coverage Go Together

If you enroll in one of Carnegie Mellon's medical insurance options, you **MUST** enroll in a prescription plan and cover the same individuals as your medical plan. You must select the same prescription option for all individuals who are being covered.

- Participants in all plans must elect a Caremark option.
- If you opt out of Carnegie Mellon's health coverage, you may not enroll in Carnegie Mellon's prescription drug coverage.
- In addition, Caremark participants can save 20% on over-the-counter, CVS-brand health-related items with their ExtraCare Health card. (Call 1-888-543-5938 for more information.)

Using Rx Benefits at a Retail Pharmacy

When you need a prescription (re)filled at a participating pharmacy, present your ID card to the pharmacist along with your prescription. You'll pay the designated copay or coinsurance.

If you do not present insurance information at the time of your purchase, you may be required to pay for the medicine in full and later file for reimbursement.

Estimate Your Costs

The Caremark web site includes a Drug Pricing Tool to help you anticipate a medication's cost and your coinsurance/copay.

2011 Prescription Drug Plan Comparison - Participant Copays/Coinsurance

	Caremark Option A	Caremark Option B
Retail (Up to 30-day supply)		
Generic (automatic substitution)	\$10	\$5
Brand - Formulary (no generic available)	\$20	35% (\$100 maximum)
Brand - Formulary (generic available)	\$25	35% (\$100 maximum)
Brand Name - Non-formulary ¹	\$40 ¹	Not Covered ¹
Mail Order (Up to 90-day supply)		
Generic (automatic substitution)	\$20	\$10
Brand - Formulary (no generic available)	\$40	35% (\$200 maximum)
Brand - Formulary (generic available)	\$50	35% (\$200 maximum)
Brand Name - Non-formulary ¹	\$80 ¹	Not Covered ¹
Annual Out-of-Pocket Maximum (<i>separate from medical plan</i>)	None	\$1,500 individual / \$3,000 family

¹ - If a non-formulary medication is deemed medically necessary, it will be covered at the applicable "Brand - Formulary" level.

Prescription Drug Coverage: Biweekly/Monthly Employee Contributions for 2011

Coverage Level	Caremark Option A	Caremark Option B
Individual Employee	\$ 31.25 / \$ 62.50	\$ 19.25 / \$ 38.50
Employee and Child	\$ 57.25 / \$ 114.50	\$ 37.00 / \$ 74.00
Employee and Children	\$ 64.75 / \$ 129.50	\$ 42.00 / \$ 84.00
Employee and Spouse/DP	\$ 72.25 / \$ 144.50	\$ 46.75 / \$ 93.50
Family	\$ 101.75 / \$ 203.50	\$ 67.00 / \$ 134.00

Prescriptions for Mail Order

The prescription should be written for a 90-day supply (not 30-days), with refills.

Be sure the prescription is signed and written legibly.

New prescriptions take up to two weeks (refills are usually faster). Request samples or a script for a short-term supply to tide you over.

Bridge Supplies

Caremark participants who want to use mail order, but need a refill immediately can call 1-877-347-7444 to request a 5-day bridge supply from a CVS/pharmacy.

Participating Pharmacies

Thousands of chain and independent pharmacies participate in the networks.

Going Out Of Network

Caremark participants who use an out-of-network pharmacy must pay for the medicine and then submit for reimbursement. The refund will be the network cost minus your responsibility.

Maintenance Medications: Mail Order Services

Caremark provides mail order services for medications you will be taking for more than two months. When you order long-term use medications through mail order, you get a 90-day supply for the cost of a 60-day supply.

You can't beat the convenience of mail order: your pharmacy is as close as your phone or computer! You can also place orders by mail. And since you get a 90-day supply, you only need refills every few *months*, instead of every few weeks.

Mail Order Prices at Retail CVS/pharmacy Locations through Caremark

Caremark participants who register for the **Caremark Maintenance Choice** program can receive *90-day supplies* of their ongoing medications at *mail order rates* from retail CVS/pharmacies. Maintenance Choice participants are *not assessed the MMPP penalty* (see below) when using CVS/pharmacies through this program.

Maintenance Medication Prescription Plan (MMPP)

Using a retail pharmacy for ongoing prescriptions costs both you and the university more. **Under the MMPP, if you repeatedly use retail pharmacies to fill the same prescription, you will incur a penalty.** The first three times you go to the retail pharmacy to fill the same medication, you will only pay the retail copays/coinsurance. **Beginning with the fourth fill at a retail pharmacy, in addition to your copay, you will also be charged the difference in price between the retail cost and the mail-order cost of the medication.** The Caremark MMPP applies to all medications designated as "maintenance" medications. This penalty does not apply for Caremark Maintenance Choice participants using a retail CVS/pharmacy for 90-day supplies (see above).

Prescription Drug Insurance Terms and Features to Understand:

Formulary: a list of medications that have been selected for treating various symptoms or conditions. The medications on the formulary list are selected based on effectiveness, cost, and demand, and are covered at a higher level. The formulary list can be modified at any time by the carrier; refer to the web site for the most up-to-date formulary list.

Generic Drugs: medically-equivalent drugs manufactured by a pharmaceutical company after the patent has expired on the original manufacturer's brand-name medication. Generic drugs have been tested by the FDA to ensure that they

contain equivalent active ingredients. The prescription plans require that generic drugs be automatically substituted for brand-name medications, when available, as they are generally much less expensive.

Medical Necessity Waiver: a form submitted by your physician to Caremark that allows an individual to bypass normal plan requirements. Medical necessity waivers should be submitted and approved by the plan in advance of going to the pharmacy.

Non-formulary waivers: medications not on the formulary list can be covered at the brand-name formulary level, if they

are medically necessary. Your physician must submit a medical necessity waiver in advance, demonstrating why the non-formulary medication must be used (and/or why the formulary alternatives should not be used).

Generic drug substitution waivers: brand name medications that have a generic equivalent can be used if they are deemed medically necessary. Your physician must submit a medical necessity waiver in advance, demonstrating why the brand-name medication must be used (and/or why the generic alternative should not be used).

Life and AD&D Insurance

Free Basic Life Insurance

Carnegie Mellon provides, at no cost to you, basic life insurance coverage equal to your base annual salary (rounded up to the nearest thousand) or \$10,000, whichever is greater. (See sidebar, right, for information on how your life insurance base salary is calculated.) You may refuse the university's free basic life insurance coverage. Life Insurance and AD&D benefits are administered through MetLife.

If your spouse/registered domestic partner is a Carnegie Mellon full-time benefits-eligible faculty or staff member, you may be covered under his/her Spouse/Domestic Partner Life Insurance benefit. However, doing so will make you ineligible for the university's part-time life insurance or voluntary AD&D benefits.

Imputed Income Tax: For Salaries of More Than \$50,000

The value of life insurance greater than \$50,000 is considered taxable by the IRS. The IRS calculates the value of group life insurance using "uniform premium levels" based on your age and the amount of your coverage (see chart, right). The IRS adds the value of your life insurance coverage in excess of \$50,000 to your salary for federal tax purposes. Carnegie Mellon is required to withhold federal taxes based on the amount of this imputed income. To reduce your tax liability, you can limit your life insurance to \$50,000. However, the impact of imputed income taxes is generally quite small.

To calculate your monthly imputed income:

- 1) Subtract \$50,000 from your life insurance amount. Divide the remainder by 1,000.
- 2) Multiply that amount by the premium level associated with your age as of December 31, 2011. That is the imputed income that will be taxed.

For example, if your salary is \$60,000, then you would be taxed on the value of \$10,000 worth of life insurance (\$60,000 - \$50,000). If you are 42, then you will have \$1.00 of imputed income each month (10 x \$0.10 = \$1.00). At a 25% tax rate, that would be \$0.25 of additional taxes withheld each month, or \$3.00 per year.

Voluntary Accidental Death & Dismemberment (AD&D) Coverage

You may purchase AD&D Insurance through MetLife. If your death is the result of an accident, your beneficiary will receive double the insurance amount. Certain amounts are also paid if you lose a limb or certain vital functions in an accident.

You may purchase as little as \$20,000 in AD&D insurance, up to \$250,000*, in increments of \$10,000. Supplemental AD&D insurance costs \$0.20 per \$10,000.

AD&D Coverage	Monthly Cost	AD&D Coverage	Monthly Cost
\$20,000	\$0.40	\$80,000	\$1.60
\$30,000	\$0.60	\$90,000	\$1.80
\$40,000	\$0.80	\$100,000	\$2.00
\$50,000	\$1.00	\$150,000	\$3.00
\$60,000	\$1.20	\$200,000*	\$4.00
\$70,000	\$1.40	\$250,000*	\$5.00

* AD&D coverage above \$150,000 cannot exceed 10 times your base salary.

"Base Salary"

Your life insurance base salary is calculated when you start employment, and annually thereafter in October for the following year. For those on a 12-month appointment, this is your annual salary. For those on a 9-month appointment, this is 11/9 times your academic year salary. It does not include overtime, faculty summer salary or other special compensation. The benefit is not modified if your salary changes mid-year.

IRS Uniform Premium Rates

Age (as of Dec 31, 2011)	Value per \$1,000 of coverage
Under 25	\$0.05
25 - 29	\$0.06
30 - 34	\$0.08
35 - 39	\$0.09
40 - 44	\$0.10
45 - 49	\$0.15
50 - 54	\$0.23
55 - 59	\$0.43
60 - 64	\$0.66
65 - 69	\$1.27
70 and over	\$2.06

Beneficiary Info

To designate or change your beneficiary, complete the MetLife Beneficiary Form and mail it directly to MetLife, or register at <http://mybenefits.metlife.com> and designate your beneficiaries online.

Tax Consequences of Domestic Partner Coverage

The IRS prohibits providing benefits on a pre-tax basis on behalf of dependents who do not meet the IRS Code, Section 152 definition of a dependent.

If your situation does not meet the IRS standard for pre-tax reduction, the portion of your contribution that is used to add your partner to your coverage must therefore be deducted from your pay on an after-tax basis.

In addition, employer-provided coverage for a domestic partner who does not meet the IRS definition of a dependent is considered to be taxable income to the individual at the fair market value of the coverage. The difference in the university contribution between the level of coverage that includes your partner and the level that does not cover him/her will be noted as additional income on your pay stub and will be assessed federal taxes.

See the Domestic Partner Registration Kit, available from http://www.cmu.edu/hr/benefits/benefit_admin/partners.html, for more information about the tax implications associated with covering domestic partners.

Benefits for Domestic Partners

Benefits-eligible employees may elect to cover their same- or opposite-sex domestic partner under the insurance benefits to which married spouses are entitled, except where IRS regulations prohibit the provision of such benefits. If your relationship meets the university's eligibility criteria, your partner is eligible to receive medical and prescription insurance benefits.

A domestic partner may be covered under one's insurance plan if:

- the relationship has continued for at least 12 consecutive months,
- the couple can demonstrate that the committed relationship is substantially similar to that of a married couple. See the **Domestic Partner Registration Kit** to review the detailed list of the criteria that meets this requirement.

A domestic partner may be eligible to receive a limited number of non-insurance benefits (such as a university ID card) if you attest to a committed relationship of at least 3 consecutive months.

See the **Domestic Partner Registration Kit** for a detailed list of the criteria for registering a domestic partnership and the forms required to do so.

Enrollment Process for Individuals With Domestic Partners

If a domestic partnership is not already registered with the university, you must complete a hard copy of the:

- "Carnegie Mellon Registration Statement of Domestic Partnership" form
- "Benefits Enrollment/Change" form
- "Request for ID Cards for Family Members/Registered Domestic Partner" form, if your Partner is requesting a university ID card
- Dependent Partner Certification for Dependent Tax Status form

All forms should be sent to the Benefits Office at 319 South Craig Street. *The Registration Statement is subject to approval by Human Resources.* All registration and termination statements of domestic partnerships will be held confidentially in Human Resources.

Once a partnership has been registered, you can use the HR Connection system for Open Enrollment or when a qualified life or family status change occurs.

NOTE: Carnegie Mellon only provides coverage for dependent children who can be claimed by an individual for federal tax purposes. If you cannot claim the children of your domestic partner, then you cannot cover those dependents under your Carnegie Mellon benefits.

Qualifying Life or Family Status Change

Qualified life or family status changes that allow you to make changes to your benefits within 31 days of the event include:

- *Marital/Domestic Partnership Status Changes* (marriage/registration of partnership, death, divorce/termination of partnership)
- *Number of Covered Dependent Children Changes* (birth or adoption, death, dependent becomes ineligible for coverage)
- *Coverage from Another Source is Gained or Lost*
- Significant Change in Cost or Coverage of Plan (as defined by the university)
- *Change in University Location* (such as Pittsburgh to the West Coast or an international location, if your current plan does not provide coverage in the new area)

Changes Limited to Open Enrollment or Life Changes

The IRS allows contributions for your benefits coverage to be taken out of your pay before taxes are calculated, which reduces your taxes and saves you money. However, they only permit you to make changes to your coverage during an annual Open Enrollment or when you experience certain life or family status changes.

Denial of Coverage Appeals

If a claim that is submitted to one of our benefit plans is denied by the carrier and you are not in agreement with the denial, you should follow these procedures:

For Medical Appeals:

Appeals concerning a medical treatment plan or medical assessment can only be appealed through the carrier. Please follow the procedures outlined in your plan booklet to appeal a medical decision. Plan Booklets are available on the Human Resources web site at http://www.cmu.edu/hr/benefits/benefit_programs/index.html.

For Other (Administrative) Appeals:

1. If you believe the denial was made in error, **contact the carrier directly** to begin the appeals process. (See Contact Information on the next page.)
2. If you are unable to resolve the situation with the carrier, please contact Human Resources at 412-268-2047 for assistance in working with the carrier.
3. Human Resources can also provide you with information about filing a formal appeal with the carrier to challenge the denial.

Contact the Carriers

Most questions or concerns about your coverage, filing claims, or eligible expenses should be first directed to the carrier of the plan you selected. Contact information for each of our carriers is found on the next page. You should have your group and ID numbers available when you contact the carrier so they can see the specific provisions of the Carnegie Mellon plan.

COBRA Information (Continuation of Coverage)

When you or a dependent covered by a Carnegie Mellon medical, prescription, dental or vision plan loses coverage, in most circumstances, we are required to send you information about COBRA, which provides the opportunity to continue these benefits at group rates. If you are changing from a full-time to a part-time benefits-eligible position, you may continue your dental and vision coverage through COBRA.

Your group numbers (except prescription) and monthly rates will change when your plan is continued through COBRA. See the COBRA Benefits Workbook for more information about COBRA benefits.

Contact Information

Do you need more information about a specific benefit option? Contact the carrier directly to request details about your coverage, provider networks, directories, and claims issues.

For issues related to eligibility or enrollment, or unresolved claim issues, contact the Human Resources Benefits Office at 412-268-2047 or hrhelp@andrew.cmu.edu. Please see the HR web site (http://www.cmu.edu/hr/benefits/contact_carriers.html) for links to the plans.

Medical Care Options

Highmark

Phone: 1-800-472-1506
1-800-547-9378 (Highmark HMO)
Web: <http://www.highmarkbcbs.com>

UPMC Health Plan

Phone: 1-877-381-3764
Web: <http://www.upmchealthplan.com>

HealthAmerica

Phone: 1-800-735-4404 or 412-553-5575
Web: <http://www.healthamerica.cvty.com>

Prescription Drug Plan Options

Caremark

Phone: 1-877-347-7444
Web: <http://www.caremark.com>

Mail Order Service

Phone: 1-800-222-3383 (prescription refills)
FastStart®: 1-800-875-0867 (enrollment)

Caremark Maintenance Choice

Phone: 1-877-347-7444 (enrollment)

Life and AD&D Insurance Options

MetLife

Phone: 1-800-523-2894
Web: <http://mybenefits.metlife.com>

Benefits Glossary of Terms

Accidental Death & Dismemberment; AD&D

A component of life insurance coverage: in the event of one's accidental death, the benefit payable will double. If one loses a limb or other vital function, benefits will be paid according to a schedule.

After-tax dollars

Salary dollars from which federal, state and social security taxes have already been deducted.

Allowable amount; Allowable expense

The highest amount a benefit plan will pay for a specific covered service. This amount is based on the UCR for such service. (See *Usual, Customary and Reasonable*.)

Annual maximum

The most the plan will pay for covered services in the calendar year in which your elections are in effect.

Coinsurance

The plan pays a set percentage of the allowable amount of the covered expense. You pay the rest, up to an annual out-of-pocket maximum. Charges in excess of the UCR are not included; you are responsible for any such charges if you use an out-of-network provider.

Coordination of Benefits; COB

When a member is covered under more than one benefit plan, COB determines which plan is primarily responsible. Charges not covered by the primary plan may be submitted to the secondary plan. Benefits provided by an employer are primary; benefits provided through a spouse's employer are secondary.

Copayment; copay

Any up-front amount you pay for in-network office visits, supplies or prescription drugs through your medical or prescription plan. The copayment does not count toward the deductible or out-of-pocket maximum.

Coverage level

The individuals covered by the benefit plan. The coverage level for medical must match the coverage level for prescription.

Covered expenses; covered services

Those services or supplies eligible for payment under the option you have elected. Insurance contracts and booklets provide a list of covered expenses for each plan.

Deductible

The amount you are required to pay each year before any coinsurance payments will be made under the medical or dental plan option. Deductibles vary. Copays for office visits do not apply to the deductible.

Eligible dependents

These include:

- your spouse or registered domestic partner
- your children up to age 26 for medical and prescription coverage
- your unmarried dependent children up to age 19, up to age 23 if a full-time student, for dental, vision and dependent life insurance
- your unmarried, dependent children who, upon attainment of age 19, were covered under the particular benefit and were disabled as defined in the information provided by the third party administrator or insurance company

Employee; eligible employee

Active faculty, staff, Campus Police Association and Teamsters Local 249 employees of Carnegie Mellon working at least 17.5 hours per week in an appointment of four consecutive months or longer. (Serial appointments of less than

four months each do not satisfy this requirement.) Some employees on leave of absence may be considered active for benefit purposes.

Guaranteed Issue

The life insurance you can receive at initial eligibility without needing to submit a Statement of Health.

Health Maintenance Organization; HMO

A medical program, available in limited areas, that provides services when members use network providers. Carnegie Mellon provides one HMO option, through HealthAmerica.

Health Reimbursement Account (HRA)

An account set up by the university that you can use to pay for eligible health care expenses (\$250 individual/\$500 family). Unused contributions can be rolled over to the following year, up to a maximum. The money in the account is forfeited if your participation in the HRA plan ends. The HRA is paired with a high deductible PPO plan.

Benefits Glossary of Terms (continued)

Imputed income

The value of benefits that the IRS taxes as though it were additional salary. This includes high levels of life insurance or dependent care benefits and medical/Rx benefits for domestic partners.

Maintenance drug

A medication prescribed for a chronic condition (such as high blood pressure) that will be taken for more than 60 days. For maximum savings, maintenance drugs should be filled via mail order.

Maximum eligible expense; Maximum allowable expense

The total amount payable for a given service or supply under a plan. This amount is determined by the insurance company based on the typical cost for the service.

Network Allowance

Amount the participating provider contractually agrees to accept as payment in full.

Open Enrollment; Open Enrollment Period; OE

The annual period of time during which employees have an opportunity to review and select alternate benefit plans offered through the Healthy Solutions program.

Option; Benefit option

One of the choices you have within a benefit category.

Opt Out

Your decision not to be covered for a given benefit. No benefits will be payable when you opt out of a plan.

Out-of-Pocket Maximum

The highest amount you are required to pay in coinsurance and deductibles for any covered expenses in a calendar year. (Using non-participating providers may result in additional costs not included in your out-of-pocket maximum.)

Preferred Provider Organization; PPO

A medical plan that provides a higher level of coverage when you use the preferred network of providers. Out-of-network services result in higher out-of-pocket costs.

Pre-tax dollars; before-tax dollars

Income on which no federal taxes are paid when used to purchase a benefit option or placed in a reimbursement account under a qualified flexible benefits program.

Preventive care

Medical or dental services designed to avoid illness or promote wellness. These services include routine physical exams, certain diagnostic tests and immunizations. The medical and dental plans pay 100% for preventive care that are performed in-network in accordance with their schedule of preventive services.

Primary Care Physician; PCP

Although you should have a primary care physician (PCP) with any plan, only the HMO plans require you to designate a PCP. The PCP handles all routine medical care and can arrange referrals to specialist care and related services.

Salary

Your salary is calculated in October, and is rounded up to the nearest \$1,000. Changes in salary will be reflected in the following year's OE materials. For those with a 12-month appointment, this is your fiscal year salary. For those with a 9-month appointment, this is 11/9 times your academic year salary. Your salary excludes overtime, pay for appointments lasting less than four months, faculty summer salary and other special compensation.

Term life insurance; Group term life insurance

An insurance policy that pays a set amount in the event of the death of the insured person. This type of policy ends when your employment ends unless you make arrangements with the insurance company to continue it. It has no cash value and you cannot borrow against it.

Usual, Customary and Reasonable; UCR

The fees set by the carrier that reflect typical fees charged for services in your area. Carriers assign UCR levels to all services and pay claims based on them. Expenses above the UCR will not be paid under the terms of the benefit plans. Out-of-network providers may bill you for their charges in excess of the UCR.



Solve Problems + Create Solutions = Value Added

Carnegie Mellon University does not discriminate and Carnegie Mellon University is required not to discriminate in admission, employment, or administration of its programs or activities on the basis of race, color, national origin, sex or handicap in violation of Title VI of the Civil Rights Act of 1964, Title IX of the Educational Amendments of 1972 and Section 504 of the Rehabilitation Act of 1973 or other federal, state, or local laws or executive orders.

In addition, Carnegie Mellon University does not discriminate in admission, employment, or administration of its programs on the basis of religion, creed, ancestry, belief, age, veteran status, sexual orientation or gender identity. Carnegie Mellon does not discriminate in violation of federal, state, or local laws or executive orders. However, in the judgment of the Carnegie Mellon Human Relations Commission, the Presidential Executive Order directing the Department of Defense to follow a policy of “Don’t ask, don’t tell, don’t pursue” excludes openly gay, lesbian and bisexual students from receiving ROTC scholarships or serving in the military. Nevertheless, all ROTC classes at Carnegie Mellon University are available to all students.

Inquiries concerning application of these statements should be directed to the provost, Carnegie Mellon University, 5000 Forbes Avenue, Pittsburgh, PA 15213, telephone 412-268-6684 or the vice president for enrollment, Carnegie Mellon University, 5000 Forbes Avenue, Pittsburgh, PA 15213, telephone 412-268-2056.

Carnegie Mellon University publishes an annual campus security report describing the university’s security, alcohol and drug, and sexual assault policies and containing statistics about the number and type of crimes committed on the campus during the preceding three years. You can obtain a copy by contacting the Carnegie Mellon Police Department at 412-268-2323. The security report is also available online.

Obtain general information about Carnegie Mellon University by calling 412-268-2000.