

November 13, 2001

To: All Employees Eligible for Health Insurance through the College
From: Sarah Steele
Subject: Open Enrollment for Health Insurance and Reimbursement Accounts

Hamilton continually strives to provide the best health insurance coverage available for its employees while maintaining a reasonable cost for employees as well as the College, a task that is not always easy. This year is no exception.

This year we were faced with significant premium increases for both of our current plans. We were concerned about the ability of both the employees and the College to pay for the increases and have worked hard to develop alternative plans. As a result, the College's health insurance offerings will be modified effective January 1, 2002. The changes are outlined below, with more complete benefit summaries included in this mailing. Please review this material carefully and take the action required for:

- Election of health insurance coverage for 2002
- Enrollment in reimbursement accounts for 2002 (*if desired*)

The **deadline** for electing a change in health insurance coverage or enrolling in a Reimbursement Account under the Flexible Compensation Plan for 2002 is **Friday, December 7**.

HEALTH PLAN CHANGES

Blue PPO through Excellus, Inc.

- The current BluePreferred PPO plan will be replaced by a similar plan (Blue PPO) underwritten by Excellus, Inc., the parent company of BlueCross BlueShield of Utica-Watertown. The Excellus plan offers the freedom and flexibility of the current plan with the same extensive network of providers and many in-network services available for a \$15 co-pay. However, it mirrors an indemnity plan with all hospital, surgical and most diagnostic expenses subject to a deductible and co-insurance.

MVP Health Plan

- The current MVP 15+ plan will be retained with no change in benefits (\$15 office co-pay, no hospital co-pay, \$5/\$20 prescription card).

- A second, lower cost, MVP 20 plan will be offered as an alternative (\$20 office co-pay, \$500 hospital co-pay, \$10/\$30 prescription card). The College's contribution to coverage under this plan will be based on the MVP 15+ plan.

Contribution Rate Structure

The College will continue to subsidize dependent health coverage at the same level it is currently. The breakpoints for the three salary tiers will be increased by approximately 4%. The required contribution for individuals earning more than \$36,500 will be increased modestly. A summary of total premium costs as well as required payroll deductions is enclosed.

Waiver Credit

Full-time employees who have health coverage through another organization will continue to be eligible for a waiver credit equivalent to \$1,000/year. If you currently have coverage under one of the College's health insurance plans but wish to waive coverage at this time, please send documentation of your other health insurance coverage with a statement requesting the waiver credit to the Personnel Office.

Action Required

- All current PPO participants will be transferred to the new Excellus PPO plan as of January 1, 2002, unless the Personnel Office is advised otherwise.
- All current MVP 15+ participants will be retained on that plan unless the Personnel Office is advised otherwise.
- A new enrollment form, available in the Personnel Office, will only be required if you are changing insurance plan providers (i.e., from the PPO to MVP or vice versa).
- If you wish to enroll in the new MVP 20 plan or add eligible dependents to any plan, please contact Donna Grygiel, ext. 4689.

REIMBURSEMENT ACCOUNTS UNDER FLEXIBLE COMPENSATION PLAN

Many individuals realize significant tax savings by utilizing the pre-tax reimbursement accounts for childcare or medical expenses not covered by your health insurance plan. If you are not familiar with these accounts, an information summary is available from the Personnel Office or at www.hamilton.edu/college/personnel. In order to take advantage of these potential tax savings, during calendar year 2002, you must complete the enclosed enrollment form and return it to the Personnel Office no later than Friday, December 7. **A new enrollment form for 2002 is required, even if you are a current plan participant.**

QUESTIONS?

If you have any questions regarding the enclosed material, please contact any member of the Personnel Office staff. We are committed to providing the information you need to select the most appropriate health coverage for you and your family as well as determine if participation in a Reimbursement Account would benefit you.