To: University of Pittsburgh Faculty and Staff  
From: Ronald W. Frisch  
Date: May 1, 2015  
Subject: Benefits Open Enrollment (For the Plan Year July 1, 2015 through June 30, 2016)

Our Benefits team continues to work through the complexity of health care inflationary costs and health care reform. In the forthcoming plan year, the University-sponsored health insurance plans for active faculty and staff will experience relatively minimal changes. For the 2016 fiscal year, effective July 1, 2015, the overall increase will be 2.9%, however; the University’s Officers have confirmed that the University will absorb the entire increase.

THERE WILL BE NO CHANGE TO PREMIUMS DURING THE UPCOMING PLAN YEAR!

Across all plans, the cost of generic prescriptions will increase by $2.00 per script. As a reminder, you can still obtain a 3-month supply for the cost of two co-payments at the Falk and University Pharmacies as well as through the mail-order service.

Additionally, there will be a few minor adjustments to the PPO plans this year, however; no services have been eliminated. There will be an adjustment to the out-of-pocket maximums for two of the PPO plans.

Beginning July 1, 2015, we will also be merging the PPO Panther Premier and Panther Advocate plans together. Since the plan designs are virtually identical, by merging these plans, we are able to offer the former Panther Premier participants the opportunity to take advantage of a Health Incentive Account (HIA). In the past, the HIA was only offered with the Panther Advocate option. The name of the merged plan will be Panther Advocate. For the new plan year, participants in Panther Advocate can earn $200 in credits if you have single coverage and $400 if you have family coverage. Starting in July, any wellness incentives that you earn will be placed directly on a UPMC FlexAdvantage Visa debit card. Your “earnings” will be more accessible and easier to follow. We hope you will take advantage of this great opportunity and actively participate in wellness activities! Note: If you are a current Panther Premier participant, you will automatically become a member of the Panther Advocate plan unless you make an election to do otherwise. New ID cards for former Panther Premier participants will be issued. This change should be communicated to your healthcare providers.

The PPO Basic Plan has been adjusted to meet the requirements of a Qualified High Deductible Health Plan (QHDHP). This plan now allows the participants the option to open a new Health Savings Account (HSA). Your HSA contributions are made on a pre-tax basis and the earnings
accrued on the savings are also tax-free. The plan still has a “$0” monthly premium for the Individual and Parent/Child(ren) coverage levels.

Next Steps

Open enrollment will begin Monday, April 27th and will run through the end of business on Tuesday, May 19th. Please take the opportunity during this time to:

- Review your current benefit elections
- Make any desired changes online
- Update your life insurance beneficiary through Aetna and/or retirement plan beneficiary information through TIAA-CREF
- Review your changes on the confirmation statement (only if changes are made)

PLEASE NOTE THAT YOU WILL ONLY RECEIVE A CONFIRMATION STATEMENT IF YOU MAKE A CHANGE IN COVERAGE ONLINE DURING THE OPEN ENROLLMENT PERIOD. OTHERWISE, YOUR CURRENT ELECTIONS WILL REMAIN IN EFFECT FOR THE JULY 1, 2015 THROUGH JUNE 30, 2016 PLAN YEAR.

Changes in elections are permitted by the Internal Revenue Service during an annual open enrollment period. Otherwise, changes are only permitted if there is a qualified status change (such as birth of a child, marriage, divorce, or loss of a spouse’s coverage). Qualified status changes must be made within 60 days from the date of the event.

Enroll Now!

To get started with the open enrollment process, click on the link found in the announcements section of the Human Resources home page at www.hr.pitt.edu or go directly to the site at www.hr.pitt.edu/open-enroll.

Additional sources of information include:

- 2015-2016 Summary Guide to Benefits
- The Benefits Department website that may be found at www.hr.pitt.edu/benefits

We look forward to seeing you at the Benefits Fairs!

Included in the Open Enrollment packet:

Fact Sheet
Open Enrollment Online Self-Service Steps
Summary Guide to Benefits
Summary of Current Benefit Elections
FACT SHEET

Medical

Panther Gold – Plan design remains unchanged.

Panther Premier and Panther Advocate plans have now been merged and offer a Health Incentive Account (New plan name: Panther Advocate). New ID cards for former Panther Premier participants will be issued. This change should be communicated to your healthcare providers.

Panther Advocate (including former Panther Premier participants) – Earned Health Incentive Account (HIA) credits will be placed onto a UPMC FlexAdvantage Visa debit card. There will be a brief rollover phase to convert the HIA to the debit card. During the rollover phase (June 29-30) your HIA credits will not automatically apply to prescription copayments at the pharmacy, nor will you be able to use your debit card. You can submit for reimbursement for any out-of-pocket expense incurred.

The incentives under Panther Advocate will be $200 for individual coverage and $400 for family coverage. Unused credits will be rolled over from the current plan year to the upcoming plan year. The credits placed on the debit card may be used to pay for any deductibles, coinsurance, pharmacy copayments or other qualified health care expenses including eligible dental and vision services. You will receive a card even if you do not elect a health care flexible spending account. A second account will be placed on your card if you are enrolled in the Panther Advocate plan and have a health care flexible spending account. Funds will be withdrawn from your health care flexible spending account first if you have both accounts.

The Panther Advocate out-of-pocket (OOP) maximum will increase from $1,500 individual to $2,000 and the family OOP maximum will increase from $3,000 to $4,000.

Panther Plus – The out-of-pocket (OOP) maximum will increase from $2,250 individual to $3,000 and the family OOP maximum will increase from $4,500 to $6,000.

Panther Basic – Becomes a Qualified High Deductible Health Plan (QHDHP) with the increase in the deductible from $1,000 individual to $1,500 and the family deductible increasing from $2,000 to $3,000. It is important to note that the full cost of any prescription expense is applied to the deductible and prescription co-payments are not applied until the deductible is met first.

A new Health Savings Account (HSA) becomes an option for the Basic Plan. There are annual limits on the amount that can be contributed to an HSA. For calendar year 2015, the contribution limit for an individual is $3,350 and family is $6,650. For individuals 55 years old or over, the limit includes an additional $1,000 contribution. Additional information regarding the HSA option is available at www.upmchealthplan.com/pitt.

You cannot be enrolled in a Health Care FSA if you have an active HSA account. If you currently have funds remaining in a Health Care FSA when you elect an HSA for 7/1/15,
your remaining FSA funds will automatically be rolled into a Limited Purpose FSA (LPFSA), up to the roll-over maximum of $500. LPFSAs can only be used for dental and vision expenses. They cannot be used for medical out-of-pocket expenses, prescriptions, or other qualified medical expenses.

Vision

The plan design and premiums remain the same as the current plan year.

Dental

All rates for the dental plans will remain the same for the 2015-2016 plan year. There are no changes in the plan designs.

Flexible Spending Accounts

Health Care Flexible Spending Account – The annual maximum for the health care flexible spending account has increased to $2,550. If you would like to increase your deduction to meet the annual maximum, you will need to go through the self-service process to increase it. Additionally, the federal government now allows participants to roll over a maximum of $500 from the FY 15 plan year to the FY 16 plan year. The rollover is effective on July 1, 2015. This effectively minimizes the “use it or lose it” provision only for health care flexible spending accounts. The 2½-month extension (until September 15) to incur a claim and file it against the former plan year is no longer available.

NOTE: The new Rollover Allowance for the health care flexible spending accounts started with the plan year beginning July 1, 2014 (FY 2015).

Dependent Care Spending Account – The 2½-month extension still applies to the dependent care spending account. However, the ROLLOVER ALLOWANCE DOES NOT APPLY.

BENEFIT FAIRS

<table>
<thead>
<tr>
<th>Day</th>
<th>Date</th>
<th>Campus</th>
<th>Location</th>
<th>Time</th>
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<tbody>
<tr>
<td>Tuesday</td>
<td>April 28</td>
<td>Pittsburgh</td>
<td>Scaife Hall–Rooms 1103 and 1105 A, B, and C</td>
<td>11:00 a.m.-1:00 p.m.</td>
</tr>
<tr>
<td>Wednesday</td>
<td>April 29</td>
<td>Pittsburgh</td>
<td>William Pitt Union–Assembly Room</td>
<td>11:30 a.m.-1:30 p.m.</td>
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<tr>
<td>Thursday</td>
<td>April 30</td>
<td>Pittsburgh</td>
<td>William Pitt Union–Assembly Room</td>
<td>11:30 a.m.-1:30 p.m.</td>
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<tr>
<td>Friday</td>
<td>May 1</td>
<td>Johnstown</td>
<td>Student Union, Cambria Room</td>
<td>11:00 a.m.-1:00 p.m.</td>
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<tr>
<td>Tuesday</td>
<td>May 5</td>
<td>Bradford</td>
<td>Frame-Westerberg Commons, Mukaiyama University Room</td>
<td>11:00 a.m.-1:00 p.m.</td>
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<tr>
<td>Wednesday</td>
<td>May 6</td>
<td>Titusville</td>
<td>Student Union, McKinney Commons and Boomer’s Lobby Area</td>
<td>11:00 a.m.-1:00 p.m.</td>
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<td>Friday</td>
<td>May 8</td>
<td>Greensburg</td>
<td>Village Hall, Room 118</td>
<td>11:00 a.m.-1:00 p.m.</td>
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