August 24, 2010

Dear Emory Employee,

Eight years ago Emory’s health plans introduced the concept of the “core network.” The core network was originally built around Emory’s hospitals and its physicians, and featured substantially lower co-pays, deductibles and coinsurance for using “core providers.” It was designed to support the overall Emory mission by encouraging employees to use Emory providers.

Over the years, however, the core network for physicians has evolved from its original Emory foundation, and now includes thousands of physicians not connected with Emory. Assignment of physicians to the core network has been based on specialty and geographic location only, not affiliation with Emory; therefore, Emory has no way to ensure the overall quality and cost effectiveness of its core network.

In 2011 we will consolidate the core network with the Aetna national POS network (“Aetna National”), a comprehensive network of physicians and facilities, with excellent coverage in the metropolitan Atlanta area and nationally. This is a continuation of the network consolidation process that began last year when we removed non-Emory owned or affiliated hospitals and other provider facilities from the core network.

Additionally, our medical plans will return to their original objective of encouraging the use of Emory physicians and affiliated community physicians who are credentialed by Emory’s hospitals. We will do so by creating the Emory Provider Network (EPN). The network will consist of Emory physicians and affiliated community physicians as well as the following Emory owned and affiliated hospitals:

- Emory University Hospital
- Emory University Hospital Midtown
- Emory University Orthopaedics and Spine Hospital
- Emory Johns Creek Hospital
- Emory Adventist Hospital
- Wesley Woods Hospital
- Children’s Healthcare of Atlanta (Egleston and Scottish Rite)
- Grady Memorial Hospital

As announced in July, 2010, Emory is in the process of divesting its ownership in Eastside Medical Center; after a short time period following this divestiture, Eastside Medical Center will not be included in the Emory Provider Network for 2011. As the date for this divestiture is not yet known, we will communicate the effective date of this at a later time.

Our health plans will provide a “discount”, or financial incentive, to use the Emory Provider Network by offering lower specialist office visit co-pays (see Figure 1) and lower deductibles and coinsurance.

To encourage faculty, staff and covered family members to use their primary care physicians to help them be healthy, the Aetna Network primary care office visit co-pay will be reduced from its current level, and will be the same as the EPN primary care co-pay. Primary care office visit co-pays within the Aetna National
network will now be more affordable (see Figure 1). For example, in the Aetna POS Plus plan, office visit co-pays for Aetna Network primary care providers will be $25 next year, compared to $40 this year. Primary care providers include internal medicine, family medicine, general pediatrics, and gynecology. There will be no change to Aetna Network specialist office visit co-pays.

![Figure 1: Office Visit Co-pay Structure](image)

<table>
<thead>
<tr>
<th></th>
<th>POS Plus</th>
<th>POS Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current Core Network</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Primary Care and Specialist</td>
<td>$25</td>
<td>Not available in 2011</td>
</tr>
<tr>
<td>New Emory Provider Network</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Primary Care and Specialist</td>
<td>Was not available in 2010</td>
<td>$25</td>
</tr>
<tr>
<td>Aetna Network (In-Network)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Primary Care</td>
<td>$40</td>
<td>$25</td>
</tr>
<tr>
<td>- Specialist</td>
<td>$50</td>
<td>$50</td>
</tr>
</tbody>
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We know that this will be a significant change for many. Decisions to make changes of this nature are not made without careful consideration. However, we feel it is a crucial change to make now for the viability of our health plans, especially as we move forward in the new health care reform environment.

It is certain that Emory’s health care plans will continue to evolve over the next few years as the implications of health care reform continue to be understood. Emory is committed to providing excellent health care benefit plans, and we will need the help of all our faculty and staff, as informed consumers, to ensure this is possible. Now, more than ever, it is vitally important that we all take an active role in managing our own health.

Additional detailed information about the benefit plan changes will be available in the upcoming weeks, leading to the annual benefits enrollment process in October.

Sincerely,

Earl Lewis          Michael J. Mandl          Wright Caughman
Provost & Executive Vice President      Executive Vice President         Interim EVP, Health Affairs
Academic Affairs        Finance and Administration