April 18, 2014

Important Changes to Emory’s Retiree Medical Coverage

Dear Emory Retiree or Covered Spouse/Same Sex Domestic Partner (SSDP),

We understand how important your retiree medical benefits are to you. That’s why we want to give you important information about a change in how Emory’s post-65 (Medicare-eligible) retiree medical coverage will be provided. We are pleased to announce that beginning September 1, 2014 there will be a different medical insurance program that will provide you with more choices. This change is the result of more than three years of research, analysis and meetings with Emory retirees, current University faculty and staff, and various committees and councils including the Fringe Benefit Committee, Emeritus College and the University Senate.

What is changing?

We are changing our post-65 retiree medical insurance from an Emory employer-sponsored plan (through Aetna) to an employer-subsidy plan through a Medicare health insurance exchange. The Medicare health insurance exchange is a way for you to shop for and purchase an individual medical plan and prescription drug plan that works with your Medicare coverage, with personalized assistance from expert advisors. This new approach offers more choice and personalized support and may lower your total cost of coverage.

It’s important to know that this Medicare health insurance exchange is not the same as the public health exchanges that have been developed under the Affordable Care Act. In fact, the Medicare health insurance exchange has been available for many years prior to the Affordable Care Act.

Emory will provide each eligible post-65 retiree and spouse/SSDP funds ($100 per month each) through a tax-free Health Reimbursement Account (HRA) that can be used to help you pay for an individual Medicare supplemental plan or for other eligible health care expenses.
The current retiree medical plan through Aetna will no longer be offered, as this allows us to have an open enrollment for the Medicare supplemental plans that will be available in the exchange, without any requirement for medical underwriting.

**What is not changing?**

Emory’s retirees are important members of the Emory community. Emory’s benefits department will continue to be available to assist with your questions and issues. Also, we will continue to offer the retiree dental plan and life insurance plan, with no changes.

**If you are a post-65 retiree or post-65 spouse/SSDP, the new program will allow you to:**

- work with a best in class exchange vendor and their experienced benefit advisors over the phone to select and enroll in a plan that is best for you
- select the individual coverage you want from a large choice of medical and prescription drug plans
- have greater flexibility in how you use the money provided by Emory
- access year-round support through a benefit advisor to help with claims, eligibility and other questions regarding medical coverage

**If you are a pre-65 retiree or pre-65 spouse/SSDP:**

Nothing is changing in the way that Emory provides pre-65 retiree medical coverage. You may remain on Emory’s medical plan with Aetna until you and/or your spouse/SSDP reaches age 65. You will be receiving more information on the new post-65 delivery approach through a series of informational newsletters. Once you and/or your covered spouse/SSDP turns 65, you will be contacted and will receive additional information on how to enroll in the Medicare supplement plan of your choice.

**Why are we making this change?**

The primary reason we are making this change is to provide a better benefit for our retirees. Many of you have asked that Emory provide a more affordable, flexible medical plan option. Currently, about 40% of Emory’s retirees opt out of retiree medical coverage largely because of the cost of Emory’s current plan. This new approach opens the door to a wide variety of coverage options available in today’s dynamic marketplace – options that
provide excellent benefits and coordinate easily with Medicare, at a potentially lower cost to you. In addition, because Medicare supplemental plans cover millions of retirees, there is less chance of large swings in the cost of your premiums with this type of program.

**What happens next?**

*No action is required from you at this time. This change will happen September 1, 2014, so your current medical plan through Aetna will continue through August 31, 2014.*

We are making this announcement now so that you are aware of these important changes. We understand that you may have questions about exactly how the plan will work. We are working with a vendor to finalize all the details of the plan, and in June of 2014, post-65 retirees will receive much more information on the changes and what you need to do to enroll. We will also hold a series of meetings for post-65 retirees on the Emory campus. Please see the calendar (reverse side) for key dates you need to be aware of.

Our goal is to make this process as easy for you as possible. We will be using a company that is highly experienced in helping retirees and their families with decisions and transitions, and our benefits team is also committed to supporting you throughout the process.

In closing, we would like to thank the Emory retirees and spouses/partners who participated in focus groups and discussions, or provided individual feedback, over the past few years. Your input has been very valuable in helping us to select an approach that will better serve the needs of our retirees.

If you need clarification about information in this letter, contact the Emory University Benefits Department at 404-727-7613.

Sincerely,

Peter Barnes  
Vice President, Human Resources
If you are age 65 or older, reference the calendar below to find out when you can expect to receive more information.

<table>
<thead>
<tr>
<th>When</th>
<th>What</th>
<th>What Action You Need to Take</th>
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<tbody>
<tr>
<td>Now through June 2014</td>
<td>Initial announcement</td>
<td>No action is required from you at this time. Just be aware of the change in your retiree medical coverage and know that more information will be mailed to you in June.</td>
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<tr>
<td>Early June</td>
<td>Enrollment materials</td>
<td>Review your Enrollment materials that are mailed to your home in June. Use this information to learn more about the Health Reimbursement Account (HRA) and what action you need to take to enroll in an individual medical plan.</td>
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<td>Mid-June</td>
<td>Retiree meetings for participants age 65 and older</td>
<td>Attend meetings on Emory’s campus. You will receive an invitation with specific dates, times and locations in early June. These meetings are optional but will help you understand the changes and what you need to do to enroll.</td>
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<tr>
<td>June 5, 2014 through August 31, 2014</td>
<td>Enrollment period</td>
<td>You and/or your eligible spouse/SSDP work with a benefit advisor to select a plan and enroll in a plan. The first month’s premium will be due at this time.</td>
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<tr>
<td>August 31, 2014</td>
<td>Current coverage ends</td>
<td>Your medical coverage through Aetna will end.</td>
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<tr>
<td>September 1, 2014</td>
<td>New coverage begins</td>
<td>The individual coverage you elect through the Medicare exchange takes effect.</td>
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