What’s New to Your Benefits in 2014

Please Read for Important Changes to Your Benefits

As part of your Total Rewards package, Jefferson is pleased to continue offering our Platinum* medical plan to you. The challenge of controlling healthcare’s escalating costs and the implementation of the Affordable Care Act (ACA) continue to be at the forefront of our industry. We are undeniably learning to navigate a new environment as providers, patients and consumers of healthcare.

As an organization, Jefferson is not only a healthcare provider; we are also a self-insured employer. This means Jefferson pays for each out-of-pocket claim as they are incurred instead of paying a fixed premium to IBC. For FY ’14, our health plan is projected to total $101 million. Jefferson will continue to pay approximately 75% of you and your dependents costs. By working together to improve your health, and encouraging preventative care, we will strive to keep our costs low for employees. By reducing the costs of our health plan, Jefferson can reinvest those dollars back into other employee benefits.

During 2013 our first Wellness Program, LiveWell@Jeff, was introduced. Wellness initiatives have also been making headlines recently, as more organizations across the country are implementing programs. We are fortunate to have access to incredible activities and educational programs, and LiveWell@Jeff is our coordinated effort to highlight all that Jefferson has to offer our employees.

Health plan premiums will increase approximately 13% this year; for those employees who completed Tier 2 of the LiveWell@Jeff Rewards Program, they will not see an increase in their premiums, and will pay 2% less than 2013 rates. We sincerely appreciate all those who have been participating in the program and encourage everyone to LiveWell@Jeff!

Inside, please closely review your health plan design changes and other news for 2014.

*Under the Affordable Care Act (ACA), insurers will be required to offer plans that fit within four levels of coverage: bronze, silver, gold and platinum. Platinum is the highest level of coverage available to consumers, providing the most comprehensive coverage.
Federal Regulations

Affordable Care Act
Healthcare Exchanges are Open

On January 1, 2014, part of the healthcare reform law will take effect including a new option to purchase health insurance. This new law will introduce the Health Insurance Marketplace that will provide options for healthcare coverage. The Marketplace is designed to help individuals find health insurance that meets their needs and fits their budget. Unlike the Jefferson health insurance coverage which is deducted from your pay on a before-tax basis, the payments you make for coverage through the Health Insurance Marketplace will be on an after-tax basis. Open enrollment for the Health Insurance Marketplace begins on October 1, 2013. If you or any of your family members are interested in coverage through the healthcare exchanges, please visit www.healthcare.gov for more information. Jefferson offers affordable and valuable insurance coverage. The Healthcare Marketplace provides an alternative for your healthcare needs.

IRS Regulation – Same-sex Marriages

Effective September 16, 2013, same-sex marriages* will be recognized for federal tax purposes, no matter what state couples reside in. Should you elect during open enrollment to have your spouse covered, the deduction will be before-tax instead of after-tax.

*Regulation does not apply to civil unions or domestic partnerships.

Plan Design Changes

Out-of-pocket maximums now include co-pays

As part of healthcare reform laws, out-of-pocket maximums must include co-pays that members pay, effective January 1, 2014. Although this will result in an added cost to our plan, Jefferson will not be increasing the out-of-pocket maximums for plan year 2014 in order to keep costs down for you. Out-of-pocket maximums include any coinsurance/deductible/co-pays that are not covered under the medical plan up to an annual limit.

Emergency Department co-pay to increase

Each year Jefferson reviews our ED utilization and year over year these visits continue to rise. The cost of an Emergency Department visit vs. an office visit with your provider is significantly higher. Effective January 1, 2014, the co-pay for Emergency Department visits will be $150; however, if the ED visit results in an admission, the co-pay will continue to be waived. If you do not already have a primary care physician, we encourage you to call 1-800-JEFF-NOW to select a Jefferson provider.

Prescription Medications

As a result of continuing increases in prescription drug costs and utilization, the cost for 90-day supply medications is increasing. Generic supplies will increase from $20 to $30, and brand name prescriptions will increase from $30 to $40.

Short-term & Long-term Disability

STD/LTD contributions are currently withheld on a before tax basis, which results in you being taxed on the amount you receive when you need to access the funds. By changing the contributions to be withheld after-tax, the funds you receive while you are on your disability will not be impacted by taxes.
LiveWell@Jeff

15% Reduced Rates!
Employees who are participating in Jefferson's Wellness Program, LiveWell@Jeff, and completed Tier 2 by earning 70 or more reward points by October 31, 2013 will receive a 15% reduction on their health plan premium. This is 2% less than the current 2013 rates. If you have completed all of the Tier 2 requirements by the deadline, the new “wellness” rates will appear as an option when you go to select your benefits on Employee Self Service during Open Enrollment. Employees hired after September 1, 2013 will have until September 30, 2014 to complete wellness initiatives and receive wellness rates in 2015. Our wellness program is an important part of the overall success of our health plan. It allows us to receive information that will help determine plan design changes in the future.

Biometric Screenings in 2014 – Know Your Numbers
The first step to understanding and improving your health is by “knowing your numbers.” All employees on Jefferson health plans and their covered spouse/domestic partner will be required to complete a biometric screening and online Personal Health Profile from November 1, 2013 through September 30, 2014 to be eligible for wellness rates in 2015. Participants can have these screenings completed by their primary care physician or on-campus, to be scheduled in the Spring. If you do not currently have a PCP, visit JeffPLUS website for a list of available Jefferson providers or call 1-800-JEFF-NOW.

Jefferson will be SMOKE FREE in 2014!
Jefferson will be a completely Smoke Free campus effective April 1, 2014. Starting July 1, 2014, Jefferson will implement nicotine-free hiring. If you or any of your family members need support to “kick the habit”, the JeffQuit Smoking Cessation program is one of many resources available to you. Visit the LiveWell@Jeff website (www.jefferson.edu/livewell) for more information. Independence Blue Cross will also reimbursement up to $200 for a tobacco cessation program. Stay tuned for more details on this important health initiative.
Important Reminders

Must Enroll Online
Jefferson continues to go Green this year. All employees must enroll online through Employee Self Service, located on the Jefferson HR website, www.jeffersonhr.org. Enrollment is open from November 4 – 19, 2013. There will also be a verification period from November 25 – 29, 2013.

Flexible Spending Accounts
Flexible Spending Account elections do not roll over from year to year. If you wish to enroll or re-elect either a medical or dependent care flexible spending account, you must do so during Open Enrollment for funds to be available January 1, 2014. Additionally, you will have until March 15, 2014 to incur expenses for any remaining funds in your 2013 FSA accounts. Once Open Enrollment has ended on November 19, 2013, you will not have another opportunity to elect this benefit until the following year unless you experience a qualified life event during the plan year.

Select a Beneficiary
It’s important that you name a beneficiary for your company-provided and voluntary Life Insurance and Accidental Death and Dismemberment (AD&D) coverage. Your beneficiary is the person who would receive the benefit payout of your life and AD&D insurance benefits upon your death. Our Open Enrollment website has been enhanced to allow the designation of beneficiaries for each plan. Please complete this important information during Open Enrollment. You are automatically the beneficiary for any spousal and child coverage you elect.

Verify Dependent Eligibility
Please review all dependents that are listed on your benefit coverage. Please be sure they meet the eligibility requirements and all of their personal data is completed in its entirety. If you identify a dependent that no longer meets eligibility requirements, please remove them from your plans during Open Enrollment.

Resources to Support You

We recommend you attend one of the Benefits Briefings with a Human Resources representative to answer your questions. Please see schedule below. Many vendors will also be on-site for our Benefits Fairs, including departments and programs featuring wellness-related activities.

Benefits Briefing Schedule
<table>
<thead>
<tr>
<th>Date</th>
<th>Time</th>
<th>Location</th>
</tr>
</thead>
<tbody>
<tr>
<td>October 28</td>
<td>8 – 9 a.m.</td>
<td>Bluemle 105/107</td>
</tr>
<tr>
<td>October 29</td>
<td>1 – 2 p.m.</td>
<td>Methodist, Morgan Conference Room</td>
</tr>
<tr>
<td>October 30</td>
<td>8 – 9 a.m.</td>
<td>Methodist, Morgan Conference Room</td>
</tr>
<tr>
<td>October 30</td>
<td>1 – 2 p.m.</td>
<td>DePalma</td>
</tr>
<tr>
<td>October 31</td>
<td>1 – 2 p.m.</td>
<td>DePalma</td>
</tr>
<tr>
<td>November 1</td>
<td>12:30 – 1:30 p.m.</td>
<td>Bluemle 105/107</td>
</tr>
<tr>
<td>November 4</td>
<td>7:30 – 8:30 p.m.</td>
<td>DePalma</td>
</tr>
<tr>
<td>November 5</td>
<td>5 – 6 p.m.</td>
<td>DePalma</td>
</tr>
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Benefits Fairs
<table>
<thead>
<tr>
<th>Date</th>
<th>Time</th>
<th>Location</th>
</tr>
</thead>
<tbody>
<tr>
<td>November 7</td>
<td>7 a.m. – 5 p.m.</td>
<td>Hamilton, 2nd Floor Lobby NEW LOCATION!</td>
</tr>
<tr>
<td>November 8</td>
<td>7 a.m. – 5 p.m.</td>
<td>Methodist, Morgan Conference Room</td>
</tr>
</tbody>
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The Consumer Driven Health Plan (CDHP)

Why Should I Consider the Plan for 2014?

With employee contributions changing in 2014, the CDHP may be a good choice for health insurance, especially for people who do not have high medical expenses. Payroll contributions are lowest for the CDHP, and even with out-of-pocket costs, employees will spend less under the CDHP than with the HMO or PPO. It, therefore, is worth considering your medical needs for 2014 to see if the CDHP could work well for you. You can also manage how you spend the Jefferson dollars in your Health Reimbursement Account (HRA), as well as your own money in a Healthcare Flexible Spending Account to pay those costs on a before tax basis, which helps to save money. This plan puts you in control as the healthcare consumer. Please also attend a Benefits Briefing to learn more about the CDHP.

Here are some facts about the CDHP to consider:

- Employee biweekly payroll contributions are lowest for the CDHP.
- The CDHP includes a Health Reimbursement Account (HRA). Jefferson deposits $1,000 for single members, $1,500 for an employee and one dependent or $2,000 for families into the HRA. The HRA is used to pay for covered medical services and the member does not pay anything until they exhaust the HRA.
- Preventive care is covered 100% and is not deducted from the HRA.
- If you do not use all of the money in the HRA, it will roll into the next plan year (for 4 years), giving you a bigger balance to cover medical expenses in future years.
- After you exhaust the HRA, you must pay your Member Responsibility equal to $600 single, $900 employee plus one dependent and $1,200 family. The HRA and the Member Responsibility make up the plan deductible.

Once your expenses exceed the deductible, the Plan pays 100% for JeffPLUS providers, 80% for Independence Blue Cross providers and 70% for out-of-network providers.

The CDHP uses the same Independence Blue Cross provider network as the Jefferson Personal Choice Plan. Hospital charges for a home facility do not go against the HRA.

Here is how the plan works for Employees who only cover themselves and for those who cover family members.

Single Employee with office visits and labs throughout the year.

<table>
<thead>
<tr>
<th>Procedure</th>
<th>HMO</th>
<th>PPO</th>
<th>CDHP</th>
</tr>
</thead>
<tbody>
<tr>
<td>Procedure</td>
<td>Projected Discounted Cost</td>
<td>Employer Pays</td>
<td>Employee Pays</td>
</tr>
<tr>
<td>1 Preventive Care Exam</td>
<td>$100</td>
<td>$100</td>
<td>$0</td>
</tr>
<tr>
<td>1 JeffPLUS PCP Visit</td>
<td>$150</td>
<td>$135</td>
<td>$15</td>
</tr>
<tr>
<td>1 Non-JeffPLUS Specialist Visit</td>
<td>$250</td>
<td>$210</td>
<td>$40</td>
</tr>
<tr>
<td>1 Non-JeffPLUS Outpatient Lab</td>
<td>$200</td>
<td>$200</td>
<td>$0</td>
</tr>
<tr>
<td>Total Costs</td>
<td>$700</td>
<td>$645</td>
<td>$55</td>
</tr>
<tr>
<td>Annual Employee Payroll Costs</td>
<td>$1,720</td>
<td>$1,282</td>
<td>$961</td>
</tr>
<tr>
<td>Annual Total Employee Cost</td>
<td>$1,775</td>
<td>$1,362</td>
<td>$961</td>
</tr>
</tbody>
</table>

This example shows a single individual who does not use hospital or other high cost services.

To calculate your costs:

1. Consult the Plan Comparison chart for each plan at www.jeffersonhr.org.
2. Find the coverage level for services you plan to use.
3. Calculate your out-of-pocket costs and add them up.
4. Add the payroll contributions for each plan.
5. Compare your total costs under each plan.

The plan can also work well for employees who cover family members and use JeffPLUS facilities, particularly home hospitals.
Human Resources Service Center
Call 215-503-HRSC or email HRquestions@jefferson.edu
Monday – Thursday, 7:30 a.m. – 6 p.m.
Friday, 7:30 a.m. – 5 p.m.

Human Resources Website
All benefits-related materials, including contribution rate sheets and plan comparison charts, can be found online at www.jeffersonhr.org.