

## Information for UC employees about final 2007 health insurance rates: Start planning now

Last week, the University of California distributed an “Update on 2007 Compensation” ([http://atyourservice.ucop.edu/news/general/total\\_compensation\\_update.pdf](http://atyourservice.ucop.edu/news/general/total_compensation_update.pdf)) that provided an overview of your total compensation at UC and medical plan rates for 2007.

2007 medical plan rates have been finalized and are available online now at [http://atyourservice.ucop.edu/employees/cal\\_med\\_rates\\_2007.html](http://atyourservice.ucop.edu/employees/cal_med_rates_2007.html)

As mentioned previously, medical plan costs nationwide continue to rise — which means that both UC and individual employees will be paying higher monthly premiums in 2007. In fact, UC will pay \$673 million to fund employee health care in 2007—\$50 million more than in 2006. As in the past, UC will continue to pay the overwhelming majority of employee health insurance costs, and monthly premiums will continue to be based on pay levels so that lower-paid employees pay lower monthly premiums and continue to have affordable access to quality health insurance. UC also helps employees by paying more toward the cost of health insurance coverage for children.

Your individual rate will depend on your pay band, plan choices and the family members you cover, but here are some examples that show how much you and UC will pay toward the cost of single employee medical coverage in 2007, looking at the Health Net HMO medical plan (currently the plan with the highest enrollment):

<b>2007 Medical Plan Cost Example Single Employee Coverage – Health Net HMO</b>			
<b>2007 Pay Bands (Adjusted)</b>	<b>Your Contribution</b>	<b>UC’s Contribution</b>	<b>Total Monthly Premium</b>
Pay Band 1: \$43,000 or less	\$20.64	\$344.70	\$365.34
Pay Band 2: \$43,001-\$86,000	\$45.14	\$320.20	\$365.34
Pay Band 3: \$86,001-\$129,000	\$70.14	\$295.20	\$365.34
Pay Band 4: \$129,001 and up	\$96.14	\$269.20	\$365.34

Please note that pay bands will be adjusted upward for 2007 to reflect the increased cost of living (e.g., Pay Band 1 is increasing from \$40,000 to \$43,000). Without these adjustments, pay increases would move employees into higher-cost pay bands. These adjustments help to minimize this impact and may actually *lower* the amount some employees pay for medical coverage in 2007.

Please also note that increases in employee contribution rates for medical plan options are subject to negotiations with unions representing employees in bargaining units for which the contract is expired or for which the parties are currently engaged in negotiations.

### **What’s Not Changing**

Although UC medical plan costs are going up in 2007, most importantly, UC medical plan coverage is *not* being reduced — when you use your medical plan in 2007, you’ll have the same

co-payments, coverage and access to high-quality care that you have now. In addition, UC will continue to fully pay for your dental and vision coverage.

### **Learn More and Start Planning for Open Enrollment Now**

With increases in medical plan costs just around the corner, what can you do to prepare yourself? Now is a good time to begin reviewing your 2007 medical plan rates, and to compare all of your household's medical insurance options (including your spouse or domestic partner's coverage, if applicable).

Open Enrollment is **November 1 through 21**, but you can start planning now. Visit the *At Your Service* website at <http://atyourservice.ucop.edu/> for general information about UC medical plan options and the advantages of participating in the Health Care Reimbursement Account (HCRA).

In the weeks leading up to Open Enrollment, you'll receive more details and information about strategies, resources and tools you can use to help you choose the plan that best meets your needs and those of your family members for 2007.