



LANL management contract awarded to UC-industry team

On December 21, 2005, the U.S. Department of Energy (DOE) announced the selection of Los Alamos National Security LLC (LANS), a team that includes the University of California, Bechtel National, BWX Technologies and the Washington Group International, as the contractor to manage and operate the Los Alamos National Laboratory (LANL). LANS has begun implementing a transition plan so that it can assume contractor responsibilities at LANL on June 1, 2006. The University of California will continue as the LANL contractor through May 31, 2006, and work with LANS to assure a smooth transition to the new contract.

All LANL retirees will continue to receive their pension benefits from a UC plan. The National Nuclear Security Administration's request for proposal (RFP) stipulates that LANS will provide retiree health benefits.

LANS and UC are beginning to work together on transition issues, including exploring various options to continue health coverage without disruption for LANL retirees throughout 2006. UC will do everything possible to assist retirees throughout the process. More information will be sent to retirees before the LANS contract commences on June 1, 2006. UC also plans to hold meetings with LANL retirees in New Mexico during the transition.

A LANL transition website has also been established at transition.lanl.gov. The most up-to-date information about the transition, including information specifically for retirees, is available there. 🐼

Planning the Future of the UC Retirement Plan

While news stories last year told of ailing pension plans and a growing number of large companies across the country freezing or terminating retirement benefits, an annual checkup found the UC Retirement Plan (UCRP) financially fit but in need of preventive care to ensure a healthy future.

Thanks to the careful management and strong market performance of UCRP's investments for many years, the pension fund accrued a surplus, which has supported the ongoing costs of the plan. Thus, UC and its employees have not had to contribute to the plan since the early 1990s.

Because there have been no contributions for some 15 years, the surplus has declined steadily over the years and the current break in contributions cannot be sustained.

Current funding status

Every fall, the Regents review a report by a University-hired independent actuarial firm that assesses UCRP's financial status and compares the amount of money in the fund to the amount of its retirement obligations. The

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HIPAA notification of medical program eligibility (Health Insurance Portability and Accountability Act of 1996)

New federal regulations for UC medical plans

The Health Insurance Portability and Accountability Act (HIPAA) of 1996 changed certain eligibility requirements for UC's medical program as of January 1, 1998. Recently, the Departments of Labor, Treasury, and Health and Human Services issued final regulations expanding the HIPAA portability provisions affecting UC's medical program effective January 1, 2006. The HIPAA portability rules do not apply to UC's dental plan.

The new rules apply only to retirees and their family members who are eligible for UC medical coverage or have suspended their UC medical coverage according to UC regulations.

I. Special enrollment opportunities: Eligible retirees and family members **not enrolled** in a UC medical plan are provided a "special enrollment opportunity" to enroll in a UC medical plan because of loss of other medical coverage as follows:

1. A retiree or a family member who is not covered by UC because of other medical coverage may enroll in a UC plan when the other employer stops paying for the applicable person's other coverage.
2. A retiree or a family member who ceases to be eligible under another medical plan due to loss of dependent status may enroll in a UC plan.
3. A retiree or a family member may enroll in a UC medical plan if their other medical plan ceases to offer benefits for a class of employees to which they belong.
4. A retiree or a family member no longer resides, lives or works in the service area of another non-UC employer's HMO plan.

5. A retiree or a family member who reaches a lifetime maximum on all benefits under another non-UC medical plan may enroll in a UC plan.

When these events occur, a retiree or family member will be given a 31-day period of eligibility in which to enroll in a UC medical plan.

Please remember that family members cannot be enrolled in a UC medical plan independently. A retiree must be enrolled in the UC medical plan in order to enroll eligible family members and all eligible family members must be enrolled in the same plan as the retiree.

II. New UC medical plan transfer opportunities: Retirees **enrolled** in a UC medical plan will have new opportunities to transfer from one UC medical plan to another UC medical plan as follows:

If an eligible family member experiences a "special enrollment opportunity" described above, the enrolled retiree can transfer to any other UC medical plan for which he/she is eligible during the family member's 31-day period of initial eligibility. 🐼

Death of family member

Although the death of a family member is a very difficult time for you, it will impact your health insurance coverage if he/she was enrolled in a UC-sponsored plan. To make sure the University and you pay the correct premium, please notify the UC Customer Service Center (1-800-888-8267) when an enrolled family member passes away.

2006 health & welfare audit

In May 2006, UC will conduct its annual random audit of employees, retirees, and their family members enrolled in UC-sponsored health and welfare plan(s). This audit is required by UC plan regulations and helps ensure that your family members enrolled in health and welfare plans are fully eligible for coverage as described in UC's Group Insurance Eligibility Factsheet.



Verification of eligibility

The University incurs significant costs to provide group insurance coverage for employees and their family members. To ensure that only those who are truly eligible for coverage are enrolled and to meet health contract obligations, UC must verify family member eligibility.

UC HR/Benefits will randomly select a percentage of all UC members enrolled in UC-sponsored health plans and notify them in writing of the documentation required for each type of dependent. Examples of documentation include marriage or birth certificates, verification of same-sex domestic partnerships, adoption records, and tax records.

De-enrollment period

The result of an employee or retiree enrolling ineligible individuals, failing to respond to the University's eligibility verification, or failing to provide the required documentation when requested is a permanent de-enrollment (cancellation of coverage) of the ineligible individual. In addition, the employee and all family members will be de-enrolled for 12 months from any plan in which an ineligible person is enrolled.

For example, if it is determined through the audit process that an ineligible individual is enrolled in a UC-sponsored medical plan such as Health Net, the employee, the ineligible family member and all other

family members will be de-enrolled from Health Net.

Continuation of coverage will be made available to the employee and eligible family members if the employee chooses to continue health coverage at their own expense

Review eligibility of enrolled family members

Before the verification process starts, we ask that you review your health and welfare plan enrollments to ensure that your enrolled family members are eligible for UC-sponsored coverage as defined by UC's eligibility rules.

If you have ineligible family members enrolled, such as a child who recently married or an ex-spouse you forgot to de-enroll, complete an *Enrollment, Change, Cancellation, or Opt Out* form (UBEN 100) and submit the form as soon as possible. This form is available online through the At Your Service website or from the UC Customer Service Center. Changes made during the audit will be subject to the penalties of the audit.

Eligibility rules

You can review eligibility rules for family members by going online (atyourservice.ucop.edu) and selecting the article under "Current News" called "UC HR/Benefits Audit of UC-sponsored Health and Welfare Coverage." 📄

Prior authorization for prescription drugs

Beginning in 2006, the Core Plan for retirees with Medicare will include a program which most other UC medical plans already have in place: prior authorization for certain prescription drugs. Some prescription drugs under UC-sponsored medical plans require prior authorization in order to be covered.

Prior authorization for prescriptions is used by medical plans to ensure the proper use of drugs that are at risk for inappropriate use, prescribed in ways that fall outside FDA-approved indications, or are high in cost. Typically, the physician prescribing the medication is asked to provide the prior authorization, but in some circumstances the patient is responsible for submitting the request to the health plan.

Request process

Requests for prior authorization are generally submitted on forms that are available from your health plan. Your doctor should complete the prior authorization form and submit it to the health plan. Most prescriptions that require prior authorization can be approved within 24 hours; however, some may take longer. Therefore, it is important to communicate with your physician regarding your needs to ensure timely receipt.

Plan formulary

If you have questions about a particular drug, check with your medical plan directly. You may also refer to your plan's formulary to verify if prior authorization is required. UC-sponsored medical plans use a drug formulary (a list of drugs developed by your health plan to identify which medications are sound, therapeutic, and cost effective) to help your doctor make decisions about prescriptions.

Helpful Hints for Prior Authorization

- Take a copy of your medical plan's formulary and/or prior authorization list with you when you visit the doctor
- If a medication your doctor prescribes require prior authorization, have your physician log on to your medical plan's website to get the required form and complete it while you're in the office
- Have your doctor's office fax the form to your medical plan and follow up as needed
- If your prior authorization is only approved for a certain amount of time (most are not approved for more than one year), plan ahead to ensure your physician begins the process again before you run out of medication

Telephone numbers and internet links for each medical plan are available on At Your Service (atyourservice.ucop.edu; select Contact List). 📞

Delta Dental and PMI website username and password

deltadentalca.org/uc/deltadentalca.org/pmi/index.html

UC continues to work with health and welfare benefit plans to provide an alternate identification number for those who do not wish to use their social security number for identification purposes. Delta Dental and PMI Dental are the most recent plans to offer alternate identification numbers to UC members. (All medical plans already offer alternate IDs.)

The alternate identification number can be used for the following purposes:

- Give it to Delta and PMI Dental providers for the purposes of verifying your benefit eligibility and coverage levels.
- Provide it to Delta/PMI Dental telephone customer service representatives in lieu of a social security number to confirm your identity. Identification cards list the employee/retiree's name and the card can be used by the employee/retiree and all eligible family members.

View your ID

To view your alternate ID online or print a copy of an ID card, log on to the Delta Dental or PMI website. You can also contact a Delta Dental or PMI Customer Service Representative who can tell you your alternate ID over the phone. You will be required

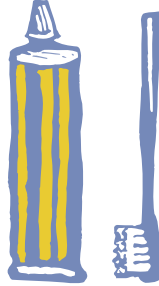
to provide the representative with your social security number for verification purposes to obtain your alternate ID number by telephone.

If you are a first time user of the Delta Dental or PMI website, you will be required to enter your social security number once for verification purposes to create a username and password. Any future visits will require only your username and password to access the site. In addition to being able to view your alternate ID, the Delta and PMI websites offer you access to personal benefits and eligibility information. The Delta Dental website also offers claim status, online directories, online help and other member resources. 📞

Health plan profile

Delta Dental: network dentist the wisest choice

To get the most from your Delta Dental Plan, select a Delta PPO dentist. PPO dentists are Delta dentists who have agreed to charge PPO enrollees reduced fees.



When you visit a PPO dentist, you will receive better benefits and lower out-of-pocket costs.

If you choose a dentist who is not in the PPO network, your best choice is a Delta Dental Premier dentist. Although their fees are higher than PPO dentists, they cannot charge more than their Delta allowed fees. You won't receive this cost protection and other conveniences when you visit a non-Delta dentist.

Non-Delta dentists do not participate in any Delta networks and have not agreed to Delta's determination of fees. As a result, your costs could be higher than those of a Delta dentist. You could be responsible for any amount charged above Delta's allowed amount, and you might experience balance billing from non-Delta dentists.

Go to atyourservice.ucop.edu/ briefing for examples of savings and other advantages using Delta network dentists. 🐾

Medicare Part D Update

If you are enrolled in a UC Medicare plan, you do not need to take any Medicare Part D enrollment action. Your UC-sponsored medical insurance already includes prescription drug coverage. If necessary, your UC medical plan will automatically enroll you in Part D and you will not be charged any additional premium.

Although you do not need to enroll in Part D, your medical plan may require information from you to process their enrollments (on your behalf) with Medicare. For example, Blue Cross recently sent a mailing to those members for whom it still needed Medicare Health Insurance Benefit Numbers (HIBN). Additionally, we understand that the Centers for Medicare and Medicaid Services may require your plan to confirm your enrollment with you later this winter. As long as your communication deals with your UC-sponsored medical plan, you should read the information and respond as requested.

More information on the Blue Cross Medicare mailing: In October and November 2005, Blue Cross sent UC plan members requests for Medicare Health Insurance Benefit Numbers (HIBN). The HIBN is needed to comply with UC's Medicare rules and assure reimbursement from Medicare. If you have not already complied with the request, please return the postage-paid postcard to Blue Cross. To view a sample of the Blue Cross letter, see the online version of this newsletter. 🐾

Don't Forget to sign up for Medicare Part B (Medical coverage)

If you have Medicare Part A (hospital insurance) but not Part B (medical insurance), you can enroll in Part B during Medicare's General Enrollment Period which runs through March 31 of each year. UC requires retirees and their eligible family members who are enrolled in a UC-sponsored medical plan to enroll in Medicare Part B when they become eligible for premium-free Medicare Part A.

If you are eligible for premium free Medicare Part A and do not enroll in Medicare Part B, you will be permanently de-enrolled from UC-sponsored medical coverage. A plan member or enrolled family member who signs up for Medicare Part B and then cancels their Part B coverage will be permanently de-enrolled from their UC-sponsored medical plan coverage. Medicare Part B coverage must be continuous.

The cost for Medicare increases if you delay your enrollment. The cost for your Part B may increase by 10 percent for each 12-month period that you could have had Part B but did not enroll. You will be required to pay this extra amount as long as you have Part B. To enroll in Medicare Part B, sign up at your local Social Security office or call 1-800-772-1213 for additional information. 🐾

UCSF Mission Bay

The new Mission Bay campus at UCSF has officially opened and there is a wonderful state-of-the-art Fitness and Recreation Center within the new Community Center with easy to access parking.



UC Retirees receive a special membership offer at both UCSF Fitness and Recreation Centers. For more information, please contact:

Bakar Fitness and Recreation Center at UCSF Mission Bay: 415.476.5646

Millberry Fitness and Recreation Center at UCSF: 415.476.0348

Mission Bay Campus: pub.ucsf.edu/missionbay

New 403(b) Plan Summary Plan Description available

A revised 403(b) Plan Summary Plan Description is now available online. The revised publication reflects service enhancements that were implemented as part of the transition to a new recordkeeping arrangement with Fidelity Investments Tax-Exempt Services Company (FITSCo). More including the Summary Plan Description: atyourservice.ucop.edu/briefing



Planning the Future continued from page 1
November 2005 report to the Regents indicated a 110 percent funded ratio (\$41.9 billion in assets compared to \$37.3 billion in obligations) as of June 30, 2005.

While any ratio of over 100 percent indicates a surplus, the UCRP ratio has dropped from 154 percent in 2000 to 126 percent in 2003 and 118 percent in 2004.

Need for contributions

Projections show that if contributions are not reinstated, the UCRP funded status will drop below 100 percent within the next several years. While the report suggests that no UC or employee contributions are required for the 2006 calendar year, it is clear that contributions will be

eventually necessary. Although no final recommendations or decisions have been made, it is expected that contributions by employees and UC will be reinstated in the next couple of years, but not earlier than July 2007. Delaying reinstatement beyond then could mean much higher contributions at a later date to address any growing shortfall.

"UC is committed to providing competitive total remuneration to all employees, and UC's retirement benefits are an important component in attracting and retaining high-quality faculty, management and staff employees," said Randy Scott, Executive Director for UC System-wide Human Resources and Benefits Policy and Program Design.

"Maintaining a stable and financially healthy retirement plan is a critical component of total remuneration and requires careful planning and management."

Next steps

In coming months, the Regents will be exploring the best way to begin reinstatement of contributions to the UCRP. The Regents are expected to consider changes, hear recommendations and take action this year. The UC Office of the President has launched a website, The Future of the UC Retirement Plan, (found at atyourservice.ucop.edu) to keep employees and retirees informed about any changes planned for UC retirement benefits.

New Dimensions

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In conformance with applicable law and University policy, the University is an affirmative action/equal opportunity employer. Please send inquiries regarding the University's affirmative action and equal opportunity policies for staff to Director of Diversity and Employee Programs, University of California Office of the President, 300 Lakeside Drive, Oakland, CA 94612 and for faculty to Director of Academic Affirmative Action, University of California Office of the President, 1111 Franklin Street, Oakland, CA 94607.

Retiree Association Contacts

Use this listing if you're interested in joining an association, or to inform your association of an address change. If you have questions about your UCRS retirement benefits, call the UC Customer Service Center at 1-800-888-8267.

	Emeriti	Retirees
Berkeley	UCB Retirement Center 510-642-5461	UCB Retirement Center 510-642-5461
Davis	Charles E. Hess 530-758-0671 cehess@ucdavis.edu	Charles Lacy 530-756-4372, calacy@ucdavis.edu
Irvine	Kivie Moldave 949-824-6204, emeriti@uci.edu	Emeriti/Retiree Office 949-824-6204
LANL	N/A	Mary Mariner 505-672-1950 Chuck Mansfield 505-662-2115
LBNL	N/A	Bud Larsh 510-724-1202, almonlarsh2@juno.com
LLNL	N/A	Lawrence Livermore Employee Services Association 925-422-9402
Los Angeles	Emeriti/Retirees Relations Center 310-825-7456 emeriti@errc.ucla.edu	Emeriti/Retirees Relations Center 310-825-7456 emeriti@errc.ucla.edu
OP & Regents	N/A	Karl Droese 925-376-0468, kdroese@comcast.com
Riverside	Dericksen Brinkerhoff 951-682-3293 dericksen.brinkerhoff@ucr.edu	Sal Martino 714-854-0220, sal.m@adelphia.net
San Diego	N/A	Suzan Cioffi 858-534-4724, RetireeLink@ucsd.edu retirement.ucsd.edu
San Francisco	Dr. Dorothy Rice 415-476-2771	Frances Larragueta 415-731-3109
Santa Barbara	Roxanne Estrada Emeriti/Retiree Relations Center 805-893-2168 roxanne.estrada@hr.ucsb.edu	Roxanne Estrada Emeriti/Retiree Relations Center 805-893-2168 roxanne.estrada@hr.ucsb.edu
Santa Cruz	Stanley D. Stevens 831-475-9172 sstevens@library.ucsc.edu	Maxine Lane 831-426-8353

Note to associations: To update a listing, write to Steven Ong at *New Dimensions* (email: steven.ong@ucop.edu).



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Comments or questions?

Write *New Dimensions* at:

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Website address: atyourservice.ucop.edu

Retiree Newsletter on Audio Cassette

This newsletter is available on audio cassette tape for visually impaired and disabled retirees. If you are interested, call *New Dimensions* at 1-800-239-4002, extension 79836, and leave your name, address, and phone number. Please indicate that you want to receive *New Dimensions* on tape and future *New Dimensions* recordings will be sent to you. Please note that audio cassette tapes are generally mailed four weeks after each *New Dimensions* mailing.

