



September 12, 2013

Name

Address

City, State Zip

Recently your household should have received a letter from Human Resources announcing the change of our retiree health insurance from the University's self-insured plan to the University of Arkansas United Healthcare Medicare Advantage Plan. Following the letter introducing the Medicare Advantage plan, several retirees have had very similar questions. Because these issues seem to be of concern to most retirees, we wanted to quickly provide you with additional information.

Are there also changes in my Dental coverage and Life insurance?

No, both life and dental will continue under the current plan structures. There will be a change in the billing for these plans but the plans are not changing and rates are not increasing for this January. But starting in January, the University will no longer collect the payments for dental and life. Those duties will be handled by UMR which will be sending the bills and collecting the payments. You will be receiving additional information later about paying your Life & Dental premiums to UMR. Remember, you will pay these premiums through December through Human Resources as you always have.

I or my spouse or my dependent children are not eligible for Medicare, what happens to their health coverage?

If you, your spouse or dependent children are currently participating in the University's retiree health plan but are not yet eligible for Medicare, they may continue in the University's plan. They can also continue in the dental plan and retirees can continue with the life plans. UMR will handle the billing for health coverage for individuals not Medicare eligible as well as for the dental and life insurance. If a Medicare-eligible retiree elects to go with another provider, his/her spouse and/or dependent children may stay with the UA plan.

What information do I need to provide to United Health Care to complete my enrollment in the Group Medicare Advantage plan?

For most, enrollment will be completed automatically by United. However, if you have not previously provided the University with your Medicare ID Number and Physical Mailing Address (Not a PO Box) your enrollment can't be completed automatically and you will receive an additional request from United. The federal Medicare regulations require that companies which provide Medicare Advantage plan have your physical mailing address and Medicare ID number and your enrollment will be suspended until that information is provided.

How will I be billed?

Billing for the Group Medicare Advantage plan will be through United Healthcare. Billing for the University's regular health plan (for retirees, spouses and children not eligible for Medicare) and for the dental and life plans will be through UMR. If you have the Medicare Advantage plan and dental or life OR if your spouse has the University's regular health plan or dental plan, you will receive separate bills from both UMR and United. Participants can set up bank draft with both United Health Care and UMR.

As stated in our first letter, United Health Care will be presenting a series of meetings to review the new University of Arkansas United Healthcare Medicare Advantage Plan. See below my signature line for a schedule of these meetings. You also may call United Healthcare at 800-533-2743 to ask questions about the new United Healthcare Medicare Advantage Plan.

Enclosed you will find your Medicare Part D Creditable Coverage Disclosure Notice and the Notice of Privacy Practices. Note, the Benefits Section of Human Resources will be closed September 26 and 27 while we attend training in Little Rock.

Sincerely,

Richard Ray
Benefits Director

Group Medicare Advantage Meetings, Presented by United Healthcare

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|--------------------------|--------------|-----------|--|
| October 8 th | Monticello | 1:30 p.m. | Fred J. Taylor Library and Technology Center on the UAM Campus
Library Technology Center, Room 206 |
| October 9 th | Little Rock | 9:30 am | The Jack Stephens Center on the Campus of UALR
University Avenue and 28 th Street, Little Rock |
| October 9 th | Pine Bluff | 1:30 pm | The Woodard Hall Auditorium on the Campus of UAPB
1200 North University Drive, Pine Bluff |
| October 10 th | Little Rock | 9:30 am | The Clarion Hotel, Arkansas Conference Room
925 South University Avenue, Little Rock
(University Avenue at I-630) |
| October 10 th | Little Rock | 1:30 pm | The CES Auditorium on the Campus of the Cooperative Extension Service
2301 South University Avenue, Little Rock |
| October 11 th | Fayetteville | 10:00 am | The Pauline Whitaker Center, Room 107-109
1335 West Knapp, Fayetteville
(South of I-540 on Hwy 112/Garland Avenue) |
| October 11 th | Fayetteville | 1:00 pm | The Arkansas Union on the Campus of UAF, Room 507-510
435 North Garland Avenue, Fayetteville
(This meeting will also be broadcast on-line using Blackboard Collaborate.) |

Teleconference Dates

- | | |
|--------------------------|--|
| October 15 th | 9:30 am, Dial (800) 260-0702, use access code 301301 |
| October 16 th | 1:30 pm, Dial (800) 700-7784, use access code 301302 |
| November 7 th | 9:30 am, Dial (800) 260-0712, use access code 301303 |
| November 8 th | 1:30 pm, Dial (800) 707-9573, use access code 301304 |

Important Notice from The University of Arkansas About Your Prescription Drug Coverage and Medicare

Please read this notice carefully and keep it where you can find it. This notice has information about your current prescription drug coverage with the University of Arkansas Health Plan and your options under Medicare's prescription drug coverage. This information can help you decide whether or not you want to join a Medicare drug plan. If you are considering joining, you should compare your current coverage, including which drugs are covered at what cost, with the coverage and costs of the plans offering Medicare prescription drug coverage in your area. Information about where you can get help to make decisions about your prescription drug coverage is at the end of this notice.

There are two important things you need to know about your current coverage and Medicare's prescription drug coverage:

1. Medicare prescription drug coverage became available in 2006 to everyone with Medicare. You can get this coverage if you join a Medicare Prescription Drug Plan or join a Medicare Advantage Plan (like an HMO or PPO) that offers prescription drug coverage. All Medicare drug plans provide at least a standard level of coverage set by Medicare. Some plans may also offer more coverage for a higher monthly premium.
2. The University of Arkansas Health Plan has determined that the prescription drug coverage offered by the its plan is, on average for all plan participants, expected to pay out as much as standard Medicare prescription drug coverage pays and is therefore considered Creditable Coverage for. Because your existing coverage is Creditable Coverage, you can keep this coverage and not pay a higher premium (a penalty) if you later decide to join a Medicare drug plan.

When Can You Join A Medicare Drug Plan?

You can join a Medicare drug plan when you first become eligible for Medicare and each year from October 15th through December 7th.

However, if you lose your current creditable prescription drug coverage, through no fault of your own, you will also be eligible for a two (2) month Special Enrollment Period (SEP) to join a Medicare drug plan.

What Happens To Your Current Coverage If You Decide to Join A Medicare Drug Plan?

If you decide to join a Medicare drug plan, your current University of Arkansas System coverage will be affected. If you drop health care coverage under the University of Arkansas health plan which includes prescription drug coverage, you and your dependents will not be eligible to get this coverage back.

When Will You Pay A Higher Premium (Penalty) To Join A Medicare Drug Plan?

You should also know that if you drop or lose your current coverage *with the University of Arkansas health plan and don't join a Medicare drug plan within 63 continuous days after your current coverage ends, you may pay a higher premium (a penalty) to join a Medicare drug plan later.*

If you go 63 continuous days or longer without creditable prescription drug coverage, your monthly premium

CMS Form 10182-CC

Updated April 1, 2011

According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0938-0990. The time required to complete this information collection is estimated to average 8 hours per response initially, including the time to review instructions, search existing data resources, gather the data needed, and complete and review the information collection. If you have comments concerning the accuracy of the time estimate(s) or suggestions for improving this form, please write to: CMS, 7500 Security Boulevard, Attn: PRA Reports Clearance Officer, Mail Stop C4-26-05, Baltimore, Maryland 21244-1850.

OMB 0938-0990

may go up by at least 1% of the Medicare base beneficiary premium per month for every month that you did not have that coverage. For example, if you go nineteen months without creditable coverage, your premium consistently be at least 19% higher than the Medicare base beneficiary premium. You may have to pay this higher premium (a penalty) as long as you have Medicare prescription drug coverage. In addition, you may have to wait until the following November to join.

For More Information About This Notice Or Your Current Prescription Drug Coverage...

Contact the Office of Human Resources at 479-575-2167 for more information. **NOTE:** You'll get this notice each year. You will also get it before the next period you can join a Medicare drug plan, and if this coverage through University of Arkansas health plan changes. You also may request a copy of this notice at any time.

For More Information About Your Options Under Medicare Prescription Drug Coverage...

More detailed information about Medicare plans that offer prescription drug coverage is in the "Medicare & You" handbook. You'll get a copy of the handbook in the mail every year from Medicare. You may also be contacted directly by Medicare drug plans.

For more information about Medicare prescription drug coverage:

- Visit www.medicare.gov
- Call your State Health Insurance Assistance Program (see the inside back cover of your copy of the "Medicare & You" handbook for their telephone number) for personalized help
- Call 1-800-MEDICARE (1-800-633-4227). TTY users should call 1-877-486-2048.

If you have limited income and resources, extra help paying for Medicare prescription drug coverage is available. For information about this extra help, visit Social Security on the web at www.socialsecurity.gov, or call them at 1-800-772-1213 (TTY 1-800-325-0778).

Remember: Keep this Creditable Coverage notice. If you decide to join one of the Medicare drug plans, you may be required to provide a copy of this notice when you join to show whether or not you have maintained creditable coverage and, therefore, whether or not you are required to pay a higher premium (a penalty).

Medicare Eligible Individual's Name: FNAME LNAME; DOB: X/X/XXXX
Spouse's Name: FNAME LNAME; DOB: X/X/XXXX

The individual stated above has been covered under **creditable** prescription drug coverage for the following date ranges that occurred after May 15, 2006:

From: 05/15/2006 To: 12/31/2013*

*Dependent upon receipt of monthly premiums.

Date: 9/12/2013
Name of Entity/Sender: University of Arkansas
Contact--Position/Office: Carol Hill, Benefits Analyst
Address: 222 Administration Building, Fayetteville, AR 72701
Phone Number: 479-575-6215



UNIVERSITY OF ARKANSAS SYSTEM

NOTICE OF PRIVACY PRACTICES

THIS NOTICE DESCRIBES HOW MEDICAL INFORMATION ABOUT YOU MAY BE USED AND DISCLOSED AND HOW YOU CAN GET ACCESS TO THIS INFORMATION.

PLEASE REVIEW IT CAREFULLY.

This Notice of Privacy Practices describes how the University of Arkansas Health and Dental Plans may collect, use and disclose your protected health information, and your rights concerning your protected health information.

“Protected health information” (PHI) is information about you, including demographic information collected from you, that can reasonably be used to identify you and that relates to your past, present or future physical or mental health or condition, the provision of health care to you or the payment for that care.

We are required to maintain the privacy of your protected health information and to provide you this notice about our legal duties and privacy practices. We must follow the privacy practices described in this notice while it is in effect. A version of this notice was originally provided in 2003 and was effective April 14, 2003. This updated notice is effective September 23, 2013 and reflects changes made by the Final Rule under the Health Insurance Portability and Accountability Act generally referred to as HIPAA.

USES AND DISCLOSURES OF PROTECTED HEALTH INFORMATION

Uses and Disclosures for Payment and Health Care Operations. The University of Arkansas Health and Dental Plans do not disclose Protected Health Information unless required by law. However, we do use Protected Health Information for payment and for health care operations.

Payment: We will use your protected health information to administer your health benefits policy, which may involve the determination of eligibility; claims payment; utilization review and care management; medical necessity review; coordination of care, benefits and other services; and responding to complaints, appeals and external review requests. We may also use protected health information for purposes of premium billing, and the determination of premium rates and co-payments, deductibles, co-insurance and other cost sharing amounts.

Health Care Operations: We will use your protected health information to support other business activities, including the following:

- Health claims analysis.
- Premium determination and administration of reinsurance.
- Risk management.
- Transfer of eligibility and plan information to business associates (for example, Pharmacy Benefit Management -PBM's- for the management of pharmacy benefits).
- Other general administrative activities, including data and information systems management and customer service.

We will not disclose protected health information to any University of Arkansas employee unless required by law. We will, however, provide minimal protected information necessary to allow payroll to pay the monthly

premium for your group health enrollment (for example, name, identification number, and family coverage status).

Other Permitted or Required Uses and Disclosures of Protected Health Information.

The University of Arkansas Health and Dental Plans will not disclose Protected Health Information unless required by law. We may disclose your protected health information in the following additional situations without your authorization:

Others Involved in Your Healthcare: Unless you request *Restriction or Confidential Communication*, we may disclose to your spouse (or your parent if you are a dependent child), the Protected Health Information directly related to payment for health care services. Otherwise, we will not disclose your Protected Health Information regarding health care to your spouse, your family (except for parents of dependents covered under the plan), a relative, a close friend, or any other person without your signed authorization explicitly directing us to do so. If you are present for such a disclosure (whether in person or on a telephone call), we will either seek your verbal agreement to the disclosure or provide you an opportunity to object to it. We may also make such disclosures to the persons described above in situations where you are not present or you are unable to agree or object to the disclosure, if we determine that the disclosure is in your best interest. We may also disclose your protected health information to an authorized public or private entity to assist in disaster relief efforts.

Unless our administrator (UMR, Inc. or Delta Dental) is given an alternative address, your explanation of benefits forms and other mailings containing protected health information will be sent to the address on record for the subscriber of the health benefits plan. Separate mailings for enrolled dependents of the subscriber will not be done, unless requested through the administrator by Confidential Communications described in this notice. If available, this also pertains to the claims information contained electronically and available via secured Internet access and corresponding telephonic claims sites.

If you would not like us to share any information in any of the foregoing manners with any particular individuals or organizations, please call the appropriate number listed on page 4 of this document.

REQUIRED BY LAW

We may use or disclose your protected health information to the extent we are required to do so by law.

Public Health: We may disclose your protected health information to an authorized public health authority for purposes of public health activities. The information may be disclosed for such reasons as controlling disease, injury or disability. In addition, we may make disclosures to a person or company required by the Food and Drug Administration to report adverse events, product defects or problems, track products; to enable product recalls; to make repairs or replacements, or to conduct post marketing surveillance, as required.

Abuse or Neglect: We may make disclosures to government authorities concerning abuse, neglect or domestic violence.

Health Oversight: We may disclose your protected health information to a government agency authorized to oversee the healthcare system or government programs, or its contractors (e.g., state insurance department, U.S. Department of Labor) for activities authorized by law, such as audits, examinations, investigations, inspections and licensure activity.

Legal Proceedings: We may disclose your protected health information in the course of any legal proceeding, in response to an order of a court or administrative tribunal and, in certain cases, in response to a subpoena, discovery request or other lawful process.

Law Enforcement: We may disclose your protected health information under limited circumstances to law enforcement officials. For example, disclosures may be made in response to a warrant or subpoena or for the purpose of identifying or locating a suspect, witness or missing persons or to provide information concerning victims of crimes.

Coroners, Funeral Directors and Organ Donation: We may disclose your protected health information in certain instances to coroners, funeral directors and in connection with organ donation.

Research: We may disclose your protected health information to researchers, provided that certain established measures are taken to protect your privacy.

Threat to Health or Safety: We may disclose your protected health information to the extent necessary to avert a serious and imminent threat to your health or safety or to the health or safety of others.

Military Activity and National Security: We may disclose your protected health information to Armed Forces personnel under certain circumstances and to authorized federal officials for the conduct of national security and intelligence activities.

Correctional Institutions: If you are an inmate in a correctional facility, we may disclose your protected health information to the correctional facility for certain purposes, including the provision of health care to you or the health and safety of you or others.

Workers' Compensation: We may disclose your protected health information to the extent required by workers' compensation laws.

Uses and Disclosures of Protected Health Information with an Authorization. Other uses and disclosures of protected health information will be made only with your written authorization, unless otherwise permitted or required by law. You may revoke this authorization, at any time, in writing, except to the extent that we have taken an action in reliance on the use or disclosure indicated in the authorization being revoked.

Many members ask us to disclose their protected health information to third parties for reasons not described in this notice. For example, elderly members often ask us to make their records available to caregivers. The administrator of the group Health and Dental Plans maintains this information. To authorize us to disclose any of your protected health information to a person or organization for reasons other than those described in this notice, please call the appropriate number listed on page 4 of this document and you will be provided the appropriate authorization and address to submit the form. You may revoke the authorization at any time by sending a letter to the same address. Please include your name, address, member identification number and a telephone number where we can reach you. A revocation is not effective until it is actually received by us.

MEMBER RIGHTS

The following is a brief statement of your additional rights with respect to your protected health information:

Right to Request Restrictions: You have the right to ask us to place restrictions on the way we use or disclose your protected health information for treatment, payment or healthcare operations or as described in the section of this notice entitled "*Others Involved in Your Healthcare.*" However, we are not required to agree to these restrictions. If we do agree to a restriction, we may not use or disclose your protected health information in violation of that restriction, unless it is needed for an emergency. All requests for restrictions should be submitted to the administrator of our group Health and/or Dental Plans.

Confidential Communications: We will accommodate reasonable requests to communicate with you about your protected health information by alternative means or to alternative locations. For example, if you are covered under a Health and/or Dental Plan as an adult dependent (e.g., a spouse or a child attending college) and you want us to send correspondence that contains protected health information to a different address from the subscriber we can accommodate that request. We may ask you to make your confidential communication request in writing. All requests for confidential communications should be submitted to the administrator of our group Health and/or Dental Plans.

Access to Protected Health Information: You have the right to receive a copy of protected health information about you that is contained in a "designated record set", with some specified exceptions. A "designated record set" means a group of records that are used by or for us to make decisions about you, including enrollment, payment, claims adjudication and case or medical management records. Any request to access protected health information should be directed to the administrator of our group Health and/or Dental Plans. You may be asked to request access to copies of your records in writing and to provide the specific information needed to fulfill your request. We reserve the right to charge a reasonable fee for the cost of producing and mailing the copies. More information on our fee structure is available by contacting our group Health and Dental Plan administrators at the addresses provided below.

Amendment of Protected Health Information: You have the right to ask us to amend any protected health information about you that is contained in a “designated record set” (see above). All requests for amendment must be in writing to our group Health and/or Dental Plan administrators. In certain cases, we may deny your request. For example, we may deny a request if we did not create the information, as is often the case for medical information in our records. All denials will be made in writing. You may respond by filing a written statement of disagreement with us, and we would have the right to rebut that statement. If you believe someone has received inaccurate protected health information from us, you should inform us at the time of the request if you want him or her to be informed of the amendment.

Accounting of Certain Disclosures: You have the right to have us provide you an accounting of times when we have disclosed your protected health information for any purpose other than the following: (a) payment or health care operations; (b) as described in the section of this notice entitled “*Others Involved in Your Healthcare*”; (c) disclosures that you or your personal representative has authorized; or (d) certain other disclosures, such as disclosures for national security purposes. All requests for an accounting must be in writing to the administrator of our group Health and Dental Plans. We will require you to provide us the specific information we need to fulfill your request. This accounting requirement applies for six years from the date of the disclosure, beginning with disclosures occurring after April 14, 2003. If you request this accounting more than once in a 12-month period, we may charge you a reasonable fee. More information is available on our fee structure by contacting us at the address provided below.

Final HIPAA Rule: Final modifications to the HIPAA Privacy, Security, and Enforcement Rules mandated by the Health Information Technology for Economic and Clinical Health (HITECH) Act generally referred to as the HIPAA Final Rule, are as follows:

- You have the right to be notified of a data breach relating to your unsecured health information.
- You have the right to ask for a copy of your electronic medical record in an electronic form provided the information already exists in that form.
- To the extent the Plan performs any underwriting, the Plan cannot disclose or use any genetic information for such purposes.
- The Plan may not use your PHI for marketing purposes or sell such information without your written authorization.
- The Plan will not use or disclose psychotherapy notes without an authorization.

Contact Information for Exercising Member Rights: You may exercise any of the rights described above by contacting, in writing, the Privacy Official at the following addresses.

University of Arkansas Group Health & Dental Plans
University of Arkansas System Administration
Benefit and Risk Management Services
Privacy Officer
2404 North University Avenue
Little Rock, AR 72207
Phone: 501-686-2942

Group Health Plan Administrator
UMR, Inc.
Customer Service Department
P.O. Box 30541
Salt Lake City, UT 84130-0541
Phone: 888-438-6105

Pharmacy Benefits Manager
MedImpact Healthcare Systems, Inc.
Customer Service Department
10680 Trenea Street, 5th Floor
San Diego, CA 92131-2446
Phone: 800-788-2949

Group Dental Plan Administrator
Delta Dental
Customer Service Department
P.O. Box 15965
North Little Rock, AR 72231
Phone 501-835-3400

CHANGES TO PRIVACY PRACTICES

We may change the terms of our notice at any time. The new notice will be effective for all protected health information that we maintain. We redistribute a new Notice of Privacy Practices whenever we make a material change in our privacy practices described in our notice.

QUESTIONS AND COMPLAINTS

If you have any questions about this notice or would like an additional copy of the notice, please contact the University of Arkansas Group Health and Dental Plans Privacy Officer at the above number or your campus Human Resources/Personnel Office.

If you are concerned that your privacy rights may have been violated, please contact the University of Arkansas Group Health & Dental Plans Privacy Officer at the above number. You also have the right to complain to the Secretary of Health and Human Services. We will not retaliate against you for filing a complaint. If you have any questions about the complaint process, including the address of the Secretary of Health and Human Services, contact the University of Arkansas Group Health and Dental Plans Privacy Officer at the above number.