

2011 Health and Dental Rates from the Pension Boards

2011 Prescription Rates (same as 2010)

	At retail (up to a 30-day supply, refillable no more than twice)	By mail-order (up to a 90-day supply)
Generic	\$17.00	\$34.00
Formulary	\$30.00	\$75.00
Non-formulary	\$45.00	\$115.00

Quarterly Rates for 2011 (Medicare Supplement Plan)

Coverage type	Contribution rate
One Medicare adult	\$816.75
One Medicare adult with non-medicare child(ren)	\$2,625.00
Two Medicare adults	\$1,551.75
Two Medicare adults with Medicare child(ren)	\$2,042.25
Two Medicare adults with non-Medicare child(ren)	\$3,018.75
Two adults (one Medicare/one non-Medicare)	\$2,597.25
Two adults (one Medicare/one non-Medicare) with non-Medicare child(ren)	\$3,039.00
Two adults (one Medicare/one non-Medicare) with Medicare child(ren)	\$2,716.50

Quarterly rates for 2011 (Non-Medicare)

Coverage type	Contribution rate
One adult	\$2,025.75
Two adults	\$4,020.00
One adult with child(ren)	\$3,954.75
Two adults with child(ren)	\$4,332.00

Quarterly Rates for 2011 (Dental 1500)

Coverage type	Contribution rate
One adult	\$117.00
Two adults	\$225.75
One adult with child(ren)	\$229.50
Two adults with child(ren)	\$258.00

2011 Health and Dental Rates

We hope this letter finds you in good health, and in peace.

Thank you for participating in the United Church of Christ Medical and Dental Benefits Plan, which assists thousands of clergy, lay employees, and their dependents meet ever-increasing healthcare costs.

After eight consecutive years of below-average rate increases, our claims experience over the past 15 months has resulted in an average premium increase of 12% for participants in the UCC (Non-Medicare) Health Plan for the 2011 Plan Year. While this increase is significantly greater than what we've experienced in recent years, it is well within the national average.

A number of factors impacted the 2011 rates. The cost per hospital admission has increased; the number of outpatient visits per member has increased; the number of maternity-related claims has increased by 30%; and a number of legislative requirements (parity in benefits for mental health treatment and the extension of coverage for dependent children to age 26) have all played a major role in the Plan's rising costs. The number of high dollar claimants also increased dramatically over the past year. Eighty (80) Plan participants incurred claims in excess of over \$10 million dollars, with most of those individually costing \$500,000 or more.

The Plan continues to benefit from the collective purchasing power made possible by our partnerships with the health benefits plans of other denominations through the Church Benefits Association. Wherever possible, we are utilizing network discounts and taking advantage of cost-containment recommendations made by our vendors. We also continue to stress to Plan participants the importance of using in-network providers where possible, the cost-saving advantages of generic medications, and we continue to encourage participants to take advantage of the free preventive care services offered by the Plan as a way to prevent more serious health conditions. While these may not sound important on an individual basis, they all have a significant impact on a Plan-wide basis.

We also intend to retain our Plan's "grandfathered" status, under The Patient Protection and Affordable Care Act of 2010, as a way to keep costs low. This status will allow us to keep the Plan functioning much like it has for a number of years and help avoid many of the regulations imposed on other health plans.

Please note the following for the 2011 Plan Year:

- The rates are effective as of January 1, 2011.
- There is **no change** to the current pharmacy co-payments for either retail or mail-order medications.
- There will be a **2% increase** to current Dental Plan premiums.
- There will be a **1% increase** to the current Vision Benefits Plan premiums, which are renewable on April 1, 2011.
- There will be a **5.2% increase** to the current Medicare Supplement Plan premiums.

Information regarding all Health, Dental and Vision Benefits may be found on the Pension Boards' website: www.pbucc.org. New Plan Highlights booklets, updated for the 2011 Plan Year, will be distributed to participants in December.

We hope that our ongoing communications answer the many questions that are brought to you and your office each year. Please do not hesitate to contact me directly at **800.642.6543, ext. 2806** or by e-mail at flوياcono@pbucc.org.

Sincerely,
Frank Loiacono
Director, Health Plan Operations