



October 2, 2013

RE: Health Insurance Open Enrollment and Employee Benefits

To our valued employees:

Brown Integrated Logistics, Inc. is pleased to announce that we will continue our partnership with United HealthCare (UHC) in 2014. We recently completed negotiations with our insurance representatives, and we feel confident that we have secured the best possible health coverage at competitive rates for you and your family. The new Patient Protection and Affordable Care Act (PPACA), to be effected January 1, 2014, has brought with it widespread dialogue and promises to bring important changes to our nation's health care system. Our purpose is to provide helpful information that will allow you to make a confident, informed decision regarding your health care insurance options.

The PPACA will significantly shift our economy toward consumer-driven health care, which encourages the individual to join the mindset of an informed, responsible patient with that of an informed, responsible consumer. The individual will be more aware of the real and total costs of health care exams and procedures and will use that knowledge to take a more active role, along with his or her health care providers, to review the options and alternatives available for care. At times, the choices you make may affect the cost of your care drastically.

Historical data demonstrates how our members have already evaluated costs and chosen their care. For example, when you paid for a prescription drug at the pharmacy, you immediately knew the exact cost for that drug. According to records, when given a choice between a \$75 brand name drug and \$15 generic drug, members of our group coverage, as a whole, most often chose the generic drug. That consumer-driven behavior resulted in relatively low prescription drug costs for the group. However, our group accrued high costs for the unusually frequent use of hospital emergency departments. For true emergencies, there was certainly no better place to be than in a hospital. In many other instances, though, an urgent care facility may have offered a faster and less expensive, but no less medically appropriate, alternative. Through our partnership with United Healthcare, you have free 24/7 access via telephone to a registered nurse who can advise you toward the best facility choice for your specific need. That is the essence of consumer-driven health care, and it can and will apply to many of your health care choices. We will use our new Newsletter to share more statistical health care data, like that above, to alert you to our group habits and choices.

One of the first choices you can make is to commit to a healthy lifestyle. To protect your bodies from certain diseases and to promote overall health, you should exercise regularly, eat a balanced diet, and make rest a priority, but it takes a lot of work to be so conscientious! We want you to engage wellness and we will do whatever we can to help. Brown Integrated Logistics, Inc. offers incentives for healthy choices through the *I Feel Good* Wellness Program. Our health care is priced to the employee at a rate, called "Nonparticipating," that assumes you do not participate in the Wellness Plan. Become a Wellness Plan participant by taking the health assessment found on myuhc.com under the Health and Wellness tab, and you will qualify for significant weekly reductions to your health insurance costs - from \$5 to \$30



a week! For employees who use tobacco products, the weekly premium is \$5-10 higher per covered individual than the nonparticipating rate. This is because tobacco use directly contributes to the most prevalent, and in many cases, preventable diseases among our team members: heart disease, cancer and stroke. We offer coaching programs through UHC to help you lose weight, stop smoking, control stress, exercise, manage diseases, and more – all at no cost to you. Later this year, be on the lookout for our first Company-wide fitness challenge: a virtual walking contest! Team of employees will compete for valuable prizes while combining exercise with an element of competition - and fun! We want you to know that wellness counts at Brown!

So, how much is your health care dollar this year? As in previous years, we offer three health care plans to provide you with flexibility of coverage and cost. We will provide a 'Summary of Benefits' on each of these plans that goes into greater detail. Below are the most significant points of each plan.

Let's start with a basic glossary of terms:

- **Copayments** are the set amounts you pay for specific items such as office visits and prescriptions. Copayments DO NOT count towards the deductible.
- **Coinsurance** is stated as a percentage such as 70%. After the deductible is reached, the insurance company pays 70% and you pay 30% of the remaining balance, until you reach your out-of-pocket maximum.
- **Out-of-pocket maximum** is the point at which insurance pays 100% of all remaining expenses.
- **PCP/SPC** – Primary Care Provider, Specialty Care Provider
- **ER/UC** - Emergency Room co-pay, Urgent Care co-pay
- **Pharmacy** – Prescriptions are priced by Tiers. Various drugs are assigned to tiers I, II, III with Tier I being the least expensive and Tier III being the most expensive, and it is stated as \$15/\$40/\$75. However, a few drugs are not covered by the pharmacy benefit.
- **In-Network/Out-of-Network** – Health insurance companies negotiate prices for medical procedures and products. These companies are price-conscious consumers who work to obtain the lowest possible price. UHC also has additional parameters relative to performance to try to ensure quality of service. Financially speaking, it will always benefit you to use an In-Network provider. Out-of-Network deductibles and co-pays are significantly higher than In-Network costs. UHC supplies a very broad base of In-Network providers. You may find an In-Network provider or determine whether your current provider qualifies by logging on to myuhc.com.
- **High-Deductible Plan** – Traditional major medical plan without co-pays with a minimum deductible of \$1,250 Single/\$2,500 family and a maximum out-of-pocket of \$6,250 Single/\$12,000 Family.
- **HSA** – Health Savings Account, which is only available with a high-deductible plan. Employees can elect to deposit pre-tax savings into an account to pay for qualified medical expenses.

**Classic Plan** This is our primary healthcare offering, structured with deductibles of \$1,500 Single/\$3,000 Family. After your deductible is fulfilled, you pay 30% of remaining costs until you reach your out-of-



pocket maximum of \$4,000 Single/\$8,000 Family. The drug card is tiered at \$15/\$40/\$75. Co-payments are PCP-\$35, SPC \$55, ER \$250, UC \$75. See the Healthcare Premium rates at the end of this letter.

**Premium Plan** As the name implies, this plan is an upgrade from the Classic. The employee pays all of the incremental cost difference between the Classic and Premium plan in order to have lower deductibles and out-of-pocket expenses. This plan has a deductible of \$1,000 Single and \$3,000 Family. The maximum out-of-pocket is the same as the deductible, since this plan has 100% coinsurance (you pay nothing, in network) once the deductible is met. The co-pays and drug card are equal to the Classic Plan.

**High-deductible/HSA** This plan is brand new for 2013-14. This plan has deductible of \$2,500 Single/\$5,000 Family and 80% coinsurance to an out-of-pocket max of \$4,500 Single/\$9,000 Family. Qualified preventive care is provided at no charge. An embedded HSA is available for tax-free medical expense savings!

All employees are covered with life insurance totaling one year's salary up to \$50,000 a year **at no cost**.

In addition to health insurance, Brown offers a number of supplemental policies which are available within the first 90 days of employment with guaranteed issue. Most products are available at any time but require medical qualification.

**Dental** The dental provider will change from Ameritas to United Healthcare on November 1, 2013. Because of this change, we are having open enrollment for anyone who wishes to add this benefit. The weekly cost is \$2.50 Single/\$5.00 employee with spouse OR child/\$7.50 Family. The annual benefit is up to \$1,500 with a \$50 deductible and includes preventive care with no deductible.

**Vision** Group vision from UHC is available at weekly rates of \$1.19 Single/\$2.02 Employee plus spouse or child/ \$2.95 Family.

**Supplemental Life Insurance, Short-Term Disability Insurance, and Life Insurance for spouses and dependents** will be offered within a special open enrollment window until November 1, 2013. Anyone who started working for Brown since **August 1, 2012** can elect to purchase these products with guaranteed issue. This is a one-time only opportunity that Hartford has agreed to for this year. After November 1, 2013, the usual 90-day window applies.

Human Resource professionals are ready to assist you (and your spouse, if applicable) in person or via telephone or video conference as you navigate these new coverage options. Please, let us know what questions we may answer. Our desire is to empower employees to feel confident and informed about their health insurance options.

Thank you,

Barbara A. Leasure

VP and Chief Financial Officer



2013-2014 Employee Contribution Healthcare Rates

Non Smoker - Wellness Participation*	CLASSIC			PREMIUM			HIGH DEDUCTIBLE/HSA		
	Health	Dental	Vision	Health	Dental	Vision	Health	Dental	Vision
Employee	24.00	2.50	1.19	41.00	2.50	1.19	8.00	2.50	1.19
Employee/Spouse	129.00	5.00	2.02	162.00	5.00	2.02	95.00	5.00	2.02
Employee/Child	119.00	5.00	2.02	150.00	5.00	2.02	87.00	5.00	2.02
Employee/Family	197.00	7.50	2.95	248.00	7.50	2.95	144.00	7.50	2.95

Non Smoker, no Wellness Participation*	CLASSIC			PREMIUM			HIGH DEDUCTIBLE/HSA		
	Health	Dental	Vision	Health	Dental	Vision	Health	Dental	Vision
Employee	34.00	2.50	1.19	51.00	2.50	1.19	13.00	2.50	1.19
Employee/Spouse	149.00	5.00	2.02	182.00	5.00	2.02	105.00	5.00	2.02
Employee/Child	139.00	5.00	2.02	170.00	5.00	2.02	97.00	5.00	2.02
Employee/Family	227.00	7.50	2.95	278.00	7.50	2.95	159.00	7.50	2.95

Smoker, no Wellness Participation*	CLASSIC			PREMIUM			HIGH DEDUCTIBLE/HSA		
	Health	Dental	Vision	Health	Dental	Vision	Health	Dental	Vision
Employee	39.00	2.50	1.19	56.00	2.50	1.19	23.00	2.50	1.19
Employee/Spouse	159.00	5.00	2.02	192.00	5.00	2.02	125.00	5.00	2.02
Employee/Child	149.00	5.00	2.02	180.00	5.00	2.02	117.00	5.00	2.02
Employee/Family	242.00	7.50	2.95	293.00	7.50	2.95	189.00	7.50	2.95