

**MEMORANDUM**

To: Full-time Faculty and Staff

From: Wilson “Bud” McGregor  
Associate Vice President for Budget & Human Resources

Date: October 22, 2007

Subject: I. Medical Premiums Effective December 21, 2007 (for 2008 Calendar Year)  
II. Dental Premiums Effective December 21, 2007 (for 2008 Calendar Year)

I. Medical Insurance Premiums Effective December 21, 2007 (for 2008 Calendar Year)

**Medical Premiums**

For 2008, faculty and staff contributions will increase by 5% in order to cover the anticipated costs for 2008. Premium increases will range from \$2 to \$15 per month. The revision to the schedule and the premium increase was approved by the Administrative Committee (faculty, staff and administrators that reviews/approves our group insurance and retirement plans). The university’s total contribution also increases for 2008 in order to cover the anticipated costs and to continue to cover 75% of the total cost. Baylor bases faculty/staff premiums on salary ranges so medical benefits will be more affordable to all. The salary ranges of the premium schedule for 2008 have been updated to keep up with 2007 pay increases. This revision will minimize the possibility and frequency of moving to the next higher premium range as a result of a typical annual pay increase. Following is the new 2008 faculty and staff monthly premium schedule:

	<b>2008 Faculty/Staff Monthly Premiums per Annualized Salary Range</b>						
Coverage Elections	2008 Total Premiums	Less than \$28,215	\$28,215 - \$38,665	\$38,666 - \$49,115	\$49,116- \$59,565	\$59,566- \$70,015	\$70,016 & over
Employee only	\$409	\$38	\$83	\$100	\$120	\$139	\$145
Employee + Spouse	\$819	\$75	\$166	\$197	\$239	\$275	\$289
Employee + Children	\$716	\$65	\$144	\$173	\$212	\$241	\$253
Employee + Family	\$1,024	\$82	\$175	\$227	\$280	\$314	\$325

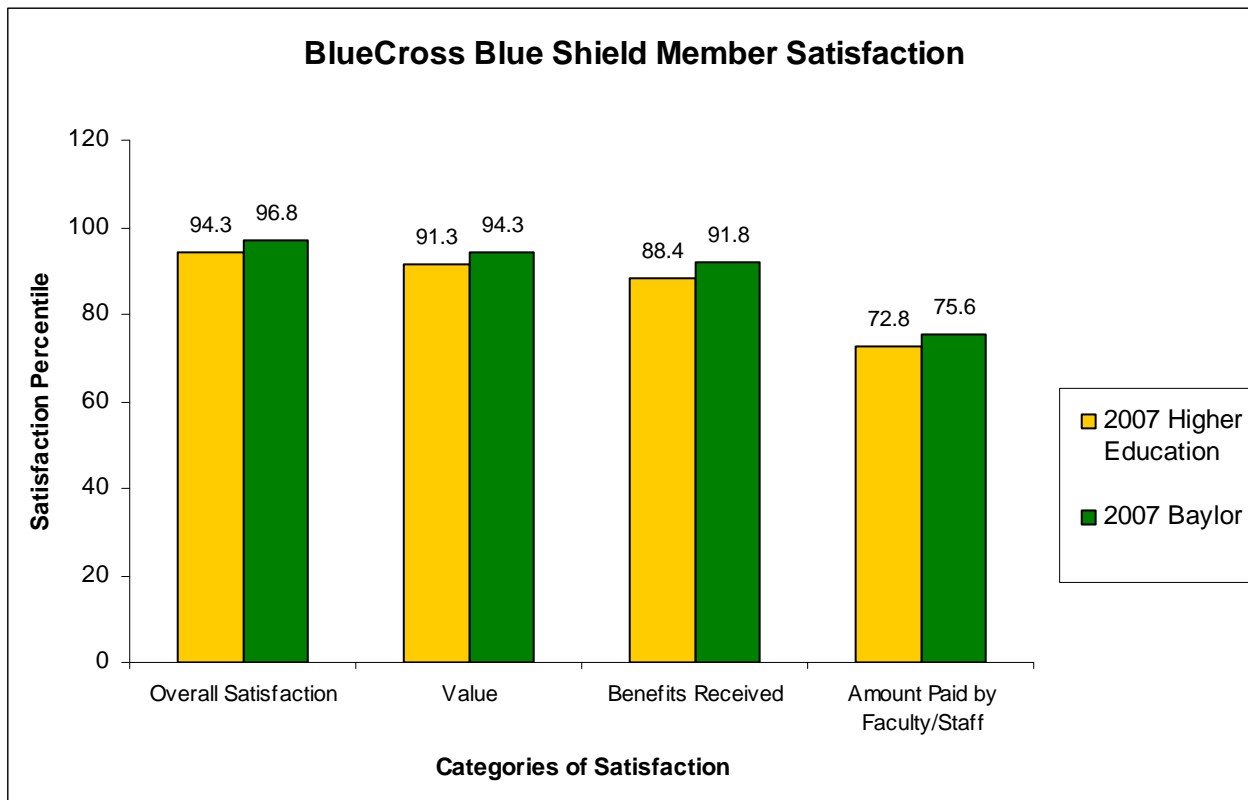
**Plan Changes - There will be no change to benefits.**

This plan for 2008 will allow Baylor to maintain a very strong medical insurance benefit at a competitive value. The following table illustrates how Baylor University’s 2008 medical insurance plan favorably compares to a typical 2008 benchmark plan that represents higher education and other institutions as reported by Buck Consultants:

Benefit Category	Baylor 2008 Plan		* 2008 Benchmark Plan Comparison	
	Network	Non Network	Network	Non Network
Deductible (applies to all medical services) Individual Family	\$400 \$1,200	\$700 \$2,100	\$300 - \$500 \$750 - \$1,200	\$500 - \$1,000 \$1,300 - \$2,000
Coinsurance (Plan Pays)	90%	70%	80%	60%
Inpatient Hospital Services	90% after deductible + \$200 hospital copay	70% after deductible + \$350 hospital copay	80% after deductible + \$200 - \$250 hospital copay	60% after deductible + \$300-\$500 hospital copay
Other Outpatient Services	90% after deductible	70% after deductible	80% after deductible + \$100 - \$200 outpatient surgery copay	60% after deductible + \$300 - \$500 outpatient surgery copay
Physician Office Visits	\$20 copay	70% after deductible	\$20 copay	60% after deductible
Out-of-Pocket Maximum (excluding deductible) Individual Family	\$2,500 \$5,000	\$3,500 \$10,500	\$2,000 - \$2,500 \$4,000 - \$6,000	\$4,000 - \$5,000 \$8,000 - \$10,500
Pharmacy Copays (**PharmaCare)	<u>Retail (30-day supply)</u> Generic \$10 Brand Formulary \$25 Brand Non-formulary \$40  <u>Mail (90-day supply)</u> Generic \$20 Brand Formulary \$50 Brand Non-formulary \$80		<u>Retail (30-day supply)</u> \$10 \$25 - \$30 \$40 - \$50  <u>Mail (90-day supply)</u> \$20 - \$25 \$50 - \$60 \$90 - \$100	
**Changing name to "CVS Caremark" from PharmaCare			* Information for table provided by Buck Consultants and includes higher education institutions	

### BlueCross BlueShield Survey Results

BlueCross BlueShield (BCBS) conducts ongoing customer satisfaction surveys and compares Baylor (green bar on graph) with several major Texas higher education institutions (gold bar on graph) within the plans they administer. Baylor faculty and staff satisfaction with the medical insurance plan is favorable as noted on the graph. The survey results cover the period from January through June, 2007.



II. Dental Premiums Effective December 21, 2007 (for 2008 Calendar Year)

**A. Baylor’s Direct Reimbursement Dental Benefit Plan**

The dental benefit costs also have been continued to be favorable in 2007 and Faculty and Staff costs for dependent coverage **will be reduced by \$3 per month** as follows:

- Employee only coverage: Baylor will continue to pay the entire cost
- One Dependent coverage: from \$42 in 2007 to \$39 in 2008
- Family coverage (two or more dependents): from \$54 in 2007 to \$51 in 2008.

**There is no change to the Direct Reimbursement Dental Benefit Plan**

**B. QCD White Dental Plan**

**Due to the increased cost to provide this benefit, faculty and staff monthly premiums will increase as follows:**

- Employee only coverage: Baylor will continue to pay the entire cost
- Employee + One: from \$23.81 to \$26.00
- Employee + Family: from \$45.23 to \$50.00

**There are no changes to the White Plan benefit schedule for 2008 and the Red plan (funded by Baylor University) is still available.**

If you have questions or comments, please contact Beverly Tieman, Benefits Coordinator (710-2218) or Richard Amos, AVP/Director of Compensation & Benefits (710-8577).