

MEMORANDUM

Supplemental Health Insurance

Please review this letter as you consider this option being provided through the University to retired faculty and staff.

As you know, the cost of providing health care benefits is becoming increasingly expensive. This is especially true for retirees who have to rely on Medicare or expensive individual supplemental coverage. While Medicare coverage is a necessity for many retired people, there are limits to the protection it provides. Deductibles and co-insurance charges for medical services, hospitals, skilled nursing facilities, nursing homes, and more are not covered. These out-of-pocket expenses can be hard to pay on a retiree's fixed income.

The university is pleased to announce a new **Supplemental Health Insurance Program** for retirees who are eligible under Medicare and meet the university's eligibility criteria. This plan, underwritten by Monumental Life Insurance Co., fills in the coverage gaps of Medicare Part A and Part B and even provides a limited prescription drug benefit of up to \$2,500 per year.

Some of the program features include:

- Group underwriting on a guarantee issue basis (no individual underwriting)
- No pre-existing condition limitations as long as you are coming directly from another group plan or another supplemental plan. If there is a gap in coverage prior to participation in this plan, a six-month pre-existing limitation will apply

The university will contribute \$100 per month on behalf of each retired faculty or staff member who enrolls in the program. Please note the university's contribution is for retired Elon faculty and staff only. Spouses are also eligible but would have to pay the full monthly premium cost. The contribution made by the university is solely for the purpose of guaranteeing the initial viability of the program. It will never be increased for any current or future participants of the plan, either while the plan is in force or is in transition to a different plan provided by Elon or by another as identified in the following paragraph.

Please keep in mind that this plan is not a continuation of the current Elon group health insurance plan provided to employees but as a supplement to Medicare. As the plan administrator, Elon has the discretionary authority to terminate the plan for new retirees, amend the plan, or transition to another post retirement supplemental health plan offered by the government or another private agency.

Contact Monumental Life Insurance Company directly (800) 752-9797 if you have any questions.

The Elon policy number with Monumental is #MZ0200580H0000A. Benistar services the pharmacy benefit. Please keep in mind you will receive two identification cards. One card from Monumental for medical services and the other card from Benistar for the pharmacy benefit.