

Jefferson Lab strives to provide quality healthcare benefits at affordable rates for our retiree participants. Over the last few years, participants in the retiree medical plan have experienced contribution increases and have shared their concerns about the rising cost of quality healthcare with us.

Through extensive research in the Medicare marketplace, Jefferson Lab has found that many individual insurance plans can provide more affordable coverage than the group health coverage Jefferson Lab is able to offer. Individual health plans will be offered to Medicare-eligible retirees through a private healthcare exchange where retirees and their eligible dependents have access to multiple choices for quality healthcare coverage with competitive premiums. In fact, many retirees from other Department of Energy National Labs have already taken advantage of this opportunity and transitioned to an individual insurance plan arrangement.

Beginning **April 1, 2016**, Jefferson Lab will be partnering with a new provider, SelectQuote Benefits, to assist retirees in selecting the healthcare plan for medical and prescription drug coverage that is best aligned with their coverage and financial needs. The private Medicare exchange marketplace, SelectQuote Senior, offers a wide range of Medicare Supplement, Medicare Advantage and Medicare Part D Prescription Drug plans from the top “A” rated Medicare insurance carriers. The plans retirees will be able to select from offer comparable coverage to the plan they currently have with Jefferson Lab. The SelectQuote Senior advisors will help shop and compare Medicare plans that best meet retiree needs and assist with the enrollment in the new plan. This change does not affect Jefferson Lab medical plan participants who are not eligible (Pre-65) for Medicare.

Jefferson Lab is committed to sharing the cost of healthcare benefits and will be providing subsidy assistance through a Health Reimbursement Arrangement (HRA). An HRA is a contribution fund with a set amount provided by Jefferson Lab to subsidize healthcare expenses. This subsidy can be used towards premiums or other qualified expenses. To assist with the cost of the new plan, Jefferson Lab will make a contribution through the HRA in the amount of **\$200** per month for retirees and **\$200** per month for dependent spouses for an annual HRA contribution of **\$2400** per plan participant. For example, if you and your spouse are both eligible for Medicare, the monthly HRA contribution will be $\langle \$200 \times 2 = \$400 \rangle$. This amount will be put into a joint HRA account to access and any unused funds will roll over into the next benefit plan year.

A Retiree Website

A website has been created just for Jefferson Lab retirees (www.jlab.sqbenefits.com). This website includes:

- ◆ Educational videos about understanding Medicare and how Medicare insurance exchanges work, and planning for post-retirement healthcare.
- ◆ Access to materials such as the Health Matters booklet, videos, and important forms.

A Knowledgeable, Licensed Advisor

Select Quote's advisors receive extensive training and are licensed in all 50 states. The conversation with your SelectQuote Senior advisor will be an educational experience and will guide retirees through the enrollment process. SelectQuote advisors are commission agnostic, and are not compensated based on the carrier or plan you select. This enables them to provide retirees with unbiased advice about your healthcare insurance plan selection. The service advisor team will provide:

- ◆ They provide their direct phone number and save your contact and healthcare insurance, use of service and prescription drug information to facilitate seamless conversations with you during future calls with your SelectQuote advisor.
- ◆ A recording of all of our calls for Medicare and HIPPA compliance and to ensure the best enrollment experience for you.
- ◆ The ability to enroll in a chosen healthcare policy via the telephone conversation with the advisor.
- ◆ A dedicated Concierge Team will ensure a smooth enrollment and a lifetime of service. This includes an annual review of the retiree's healthcare plan choices to ensure that the insurance continues to meet the retiree's needs and budget.

General Questions

Q. What is a Health Reimbursement Account (HRA)?

A. A Health Reimbursement Account (HRA) is part of the benefit plan offered to you by Jefferson Science Associates, LLC (Jefferson Lab) Effective April 1 – December 31, 2016, Jefferson Lab will contribute \$200 per participant each month into a HRA set up for you to help pay for your eligible healthcare expenses. For example, for a husband and wife, the joint monthly household amount will be \$400 (\$200 x 2). Going forward, the HRA funds will follow a calendar year plan (January 1 – December 31)

Q. Do I have to enroll in a medical program through SelectQuote Senior's exchange to be eligible for the reimbursement?

A. Yes. To be eligible for the HRA contribution from Jefferson Lab, you must enroll in a medical plan through SelectQuote Senior. You must be enrolled in a Jefferson Lab medical program through SelectQuote Senior Medicare Exchange in order for your eligible spouse to be enrolled in a Jefferson Lab medical program.

Q: Who can contribute to my HRA?

A: HRAs are funded solely through employer contributions. Your employer determines the amount and at what frequency funds will be contributed to your account.

Q: What is the maximum amount Jefferson Lab will contribute to my HRA?

A: Jefferson Lab will contribute a maximum of **\$200** per covered member to the HRA every month. Jefferson Science Associates reserves the right to amend or terminate the benefit programs at any time and for any reason.

Q. Are the contributions or reimbursements provided through the HRA considered taxable income by the IRS?

A. No. Contributions into the HRA and reimbursements from the HRA are not taxable income.

Q. Will I earn interest on the money in my HRA?

A. No.

Q. What happens to a participant's account in the event of his or her death?

A. If there is no spouse enrolled in a medical plan through SelectQuote Senior at the time of the participant's death, the HRA funds are forfeited. Your personal representative or executor of your estate may submit claims up to 180 days after the date of death for eligible expenses incurred.

If there is a surviving spouse enrolled in a medical plan through SelectQuote Senior at the time of the participant's death, the account and remaining funds will be transferred to the surviving spouse's name. The HRA monthly contribution applicable only to the spouse will continue to be made (\$200.00 per month).

Q: Can I use the money in my HRA to pay for health insurance premiums?

A: Yes, you can pay for health insurance premiums (including Medicare Supplement, Medicare Advantage, Prescription drug and your Part B premium) with funds from your HRA account.

Q: What expenses are eligible for reimbursement?

A: You can pay for qualified medical expenses, as determined by your employer, with funds from your HRA account. Qualified medical expenses generally include diagnosis, treatment and prevention of disease or treatment for any part or function of the body. Cosmetic medical expenses (such as a facelift) and expenses that benefit your general health (such as health club fees) are not eligible. We have attached a list of 213-D Eligible Medicare Expenses. Please check with the Taben group HRA services department if you have questions about what is covered.

Q: What if I use funds in my HRA for non-medical expenses?

A: You are not allowed to use funds in your HRA for non-qualified expenses.