Dear Colleague:

I am writing to invite you to consider a new benefit program that may help you with your health care costs in retirement and includes Medicare Part D prescription drug coverage. The Emeriti Program, made possible by substantial financial support from the Andrew W. Mellon Foundation, is provided through your institution’s Emeriti Plan, and is designed exclusively for faculty and staff of institutions of higher education. The Emeriti Program offers the following key features:

1. A specially designed group health insurance program building on the foundation of Medicare—the Emeriti Health Insurance Plan Options—underwritten by HealthPartners and Aetna Life Insurance Company and its affiliates. There is a range of plan options and all options include Medicare-approved Part D prescription drug coverage.

2. An innovative tax-free way to pay for other qualified out-of-pocket medical expenses—the Emeriti Reimbursement Benefit—administered by a third party administrator.

3. A tax-advantaged way to invest and accumulate assets to pay for your insurance premiums and other health expenses in retirement—the Emeriti Health Accounts—with investments and administrative services provided by Fidelity Investments.

COMPREHENSIVE COVERAGE PROVIDED BY HEALTHPARTNERS

As a retiree of a Minnesota-based institution, if you are a permanent resident of Minnesota, you are eligible to join HealthPartners, a non-profit Medicare Cost provider with a large open access network that includes most Minnesota providers, including specialists with the Mayo Clinic. The HealthPartners Freedom Plan combines catastrophic major medical coverage with all preventive care, plus

continued
Medicare-approved Part D prescription drug coverage. You also have full coverage if you travel outside of Minnesota anywhere in the US for up to nine months a year, and coverage for emergency or urgently needed services anywhere in the world. Each year during Emeriti’s open enrollment period you can change your coverage among those available in your area for the following year. If you permanently move out of Minnesota, you will be eligible to obtain comprehensive (major medical plus prescription drug) or prescription drug-only coverage from Aetna through the Emeriti Program.

MEDICARE-APPROVED RX-ONLY COVERAGE FROM AETNA

If you are not interested in comprehensive coverage, you can instead select from two Medicare-approved Part D prescription-drug only plans, underwritten by Aetna. One plan is a standard Part D plan, which receives the maximum subsidy from the Centers for Medicare and Medicaid Services and passes them on to you in the form of lower premiums. The second provides enhanced prescription drug benefits, with a slightly lower subsidy and a somewhat higher premium. If you choose one of the prescription drug-only plans from Aetna, you can also select dental coverage from Aetna. Dental coverage is not available alone, and is not available with the HealthPartners comprehensive plans. For dental rates in your area, please call 1-866-EMERITI (1-866-363-7484) or go to www.emeritihealth.org and click on Individuals>Tools and Calculators> Emeriti Online Premium Rate Guide.

COVERAGE FOR YOU AND YOUR DEPENDENTS: ONE -TIME OPPORTUNITY

The Emeriti Program is designed to protect you, your spouse, and your eligible dependents. It is important to note that you have a one-time opportunity to elect this insurance coverage for yourself and your family. You must enroll when you and your eligible dependents are first eligible. Later enrollment will not be permitted unless you experience a qualifying event. If you elect to purchase health insurance coverage from another source, you can obtain reimbursement from your Emeriti Health Account for the premiums, as long as you have an available account balance.

If you want to cover your spouse or domestic partner who is over 65 and enrolled in Medicare Part A and Part B, he or she must be enrolled in the same HealthPartners or Aetna plan that you choose. Different coverage from HealthPartners is available for eligible family members who are under 65.

If you are interested in enrolling in one of the Emeriti Health Insurance Plan Options, all of which include Medicare-approved Part D benefits, you should not
enroll separately in any other Part D plan offered to you by another source. Medicare’s rules specify that you can have only one Part D plan. If you sign up for another one, you will cancel your Emeriti coverage. **Your enrollment window for Emeriti is coordinated with the annual enrollment period for Part D, so that you will not incur penalties for late enrollment in Part D for 2007.** You will be able to enroll between November 1, 2006 and December 31, 2006, with coverage effective January 1, 2007. Remember, if you do not enroll in the Emeriti Health Insurance Plan Options during your eligibility period, you may lose the opportunity to enroll in the future.

Please review all of the materials within this package carefully; analyze the differences among your available options and understand the rules for enrolling in Medicare and the Emeriti Health Insurance Plan Options.

If you have any questions at all as you review the information in this package please don’t hesitate to call an Emeriti Specialist at 1-866-EMERITI (1-866-363-7484). You can also call or schedule a personal visit with a HealthPartners Medicare sales representative, who can explain how the comprehensive plans work, including eligibility, service area, out-of-network Medicare benefits, and the HealthPartners provider network. You can call Monday through Friday from 8 a.m. to 5 p.m. at 952-883-5601 or 1-800-247-7015. TTY call 952-883-6060.

We invite you to consider Emeriti for your retiree health coverage for 2007.

Sincerely,

Kenneth E. Cool
President,
Emeriti Retirement Health Solutions