

Choose Well | Be Well

Your Benefits Enrollment Guide
2017 - 2018



EAST TENNESSEE

Children's
Hospital

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This guide describes the benefit plans available to you as an employee of East Tennessee Children’s Hospital (ETCH), and its participating subsidiaries. The details of these plans are contained in the official plan documents, including some insurance contracts. This guide is meant only to cover the major points of each plan. It does not contain all of the details that are included in your Summary Plan Description (SPD) (as described by the Employee Retirement Income Security Act). If there is ever a question about one of these plans, or if there is a conflict between the information in this guide and the formal language of the Plan documents, the formal wording in the Plan documents will govern. ETCH reserves the right to modify, amend, suspend, or terminate the plan, in whole or in part, at any time, as allowed by law. This guide does not constitute a contract and participation in any of the benefit plans does not guarantee employment.

“Because you play such a critical role in our success, we want to provide you with the resources to protect and care for yourself and your family.”



WELCOME TO EAST TENNESSEE CHILDREN'S HOSPITAL EMPLOYEE BENEFITS GUIDE

What we do at East Tennessee Children's Hospital to improve the health of children is important, and we could not fulfill our mission without you. Because you play such a critical role in our success, we want to provide you with the resources to protect and care for yourself and your family. One of the most important and valuable resources is your benefits program.

ETCH is pleased to continue to offer our employees and their families a valuable benefit package. These benefits help to keep you healthy and secure and provide you with peace of mind. We hope you find this benefits guide to be a helpful tool as you make your benefit choices and encourage you to take time to review the information to choose the best coverage that fits your needs.

Glossary of Terms

It is important to be familiar with benefit terms to better understand your options. Take a moment to review these definitions, which may be referenced throughout this guide.

- **Coinsurance** - the amount (usually a percentage of the claim) paid by you for various services.
- **Copayment/Copay** - a specific dollar amount you pay to receive services such as office visits.
- **Covered services or expenses** - services or expenses that your plan covers.
- **Deductible** - the amount you pay each year before your plan begins paying.
- **Exclusions** - services or expenses that your plan does not cover.
- **Out-of-pocket maximum** - maximum dollar amount that you will pay per year before the plan begins paying covered expenses at 100 percent.
- **Premium** - the amount you pay via payroll deductions to receive coverage.

BENEFITS-AT-A-GLANCE

ETCH takes pride in offering you a benefits program that provides flexibility for your diverse and changing needs. The following is an overview of the benefits provided to you and your dependents.

Benefits Option Plan (BOP)	Who Pays	Who Is Eligible	When You Are Eligible
Medical – BlueCross BlueShield of Tennessee <ul style="list-style-type: none"> Option 1 PPO Option 2 HDHP with HRA 	ETCH & You	Full-Time Part-Time	Begins on the first day of the next month if hired by 25 th . For qualifying events, see page 4 for additional details.
<ul style="list-style-type: none"> Medical Waiver Option Must be covered under another group health plan. See page 8 for additional details. 	ETCH	Full-Time	Begins on the first day of the next month if hired by 25 th .
Dental – Delta Dental	ETCH & You	Full-Time Part-Time	Begins on the first day of the next month if hired by 25 th .
Vision – Superior Vision	You	Full-Time Part-Time	Begins on the first day of the next month if hired by 25 th .
Basic Term Life / AD&D Insurance – The Hartford <ul style="list-style-type: none"> Coverage equal to 1.5 times annual base salary to \$500,000 maximum 	ETCH	Full-Time	Begins on the first day of the next month if hired by 25 th .
Voluntary Life Insurance (Employee, Spouse, Children) - The Hartford	You	Full-Time	Begins on the first day of the next month if hired by 25 th .
Voluntary Whole Life Insurance – VOYA	You	Full-Time	At Annual Enrollment
Accident Insurance – VOYA	You	Full-Time Part-Time	At Annual Enrollment
Critical Illness Insurance – VOYA	You	Full-Time Part-Time	At Annual Enrollment
Extended Sick Leave	ETCH	Full-Time	Eligible after 12 months of active employment
Long Term Disability – The Hartford	ETCH	Full-Time	Enrolled 1st of the month following 6 months of active employment. See page 17 for details.
Flexible Spending Accounts – WageWorks <ul style="list-style-type: none"> Health Care FSA - contribute up to \$2,600 - minimum \$10/PP Dependent Care FSA - contribute up to \$5,000 - minimum \$10/PP 	You	Full-Time Part-Time	Begins on the first day of the next month if hired by 25 th .
Tuition Reimbursement (Tuition costs only)	ETCH	Full-Time Part-Time	After 12 months of employment
Retirement – Lincoln Financial Group <ul style="list-style-type: none"> 403(b) 	You	All Employees	Beginning the 2nd paycheck following Date of Hire
<ul style="list-style-type: none"> Pension Plan 	ETCH	All Employees See Page 22	January 1 or July 1 After 1 year of employment
LegalShield <ul style="list-style-type: none"> Legal Services 	You	Full-Time Part-Time	At Annual Enrollment
<ul style="list-style-type: none"> ID Theft 	You	Full-Time Part-Time	At Annual Enrollment
<ul style="list-style-type: none"> Legal and Identity Theft Combined 	You	Full-Time Part-Time	At Annual Enrollment

ELIGIBILITY

If you are a **full-time employee** who works at least 60 hours per pay period, you are eligible for ETCH benefits the first of the following month if hired by the 25th (refer back to page 3 for eligibility time frame). If you work between 30-59 hours per pay period and are considered a **part-time employee**, you are eligible for partial hospital-provided benefits the first of the following month if hired by the 25th.

Your premiums for medical, dental and vision coverage will be deducted from your paycheck on a pre-tax basis.

If you do not enroll for coverage within 30 days of your eligibility date, you will not receive benefits during the plan year, unless you experience a qualifying event.

The 25th of the month is the deadline to ensure coverage is effective the first of the next month.

Dependent Eligibility

Your eligible dependents have access to many of the benefits we offer. Eligible dependents include:

- Your legal spouse
- Your children under age 26 (including stepchildren, legally adopted children and children placed with you for adoption)
- Your dependent children over age 26 who are medically certified as disabled

If you do not enroll for coverage within 30 days of your eligibility date, you will not receive benefits during the year unless you experience a qualifying event.

ETCH's benefit plan year is May 1 - April 30

ENROLLMENT TIPS

Enrollment is easy and convenient. These tips will assist you in choosing the best options for yourself and your family.

- Read and review all benefit materials provided.
- Enroll in your elected benefits by submitting an election form to Human Resources.
 - Submit ETCH universal enrollment form prior to the 25th of the month for benefits to be effective on the 1st of the following month
- For mid-year qualifying events, please contact the benefits team for an enrollment appointment.
- Submit any required dependent documentation.

The benefit choices you make during your enrollment will remain in effect for the entire plan year unless you have a change in family status or a qualifying event (see Making Changes Mid-Year for details). You will have the opportunity to change your benefit selection once a year during the Annual Enrollment period.

If you are enrolling during an Annual Enrollment period, any changes you make will go into effect on May 1st of the current calendar year.

MAKING CHANGES MID-YEAR

If you experience a qualifying event, you will have the opportunity to make mid-year changes to your benefit elections. Changes must be made within 30 days of the event date. Examples include, but are not limited to, the following:

- Marriage, divorce, or legal separation
- Birth or adoption of a child
- Loss/Gain of other health coverage
- Change in work status/employment

It is your responsibility to notify ETCH within 30 days to make changes to your coverage. Additionally, the 25th of the month is the deadline to ensure coverage is effective the first of the next month. You will need to provide documentation of the event, such as a marriage license or birth certificate, and benefit changes must be consistent with the change in family status.

COBRA COVERAGE

If you lose ETCH health coverage due to separation of employment or changing to PRN status, you are eligible for continued coverage under the Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA) for up to 18 months following the time when it would otherwise end. Covered dependents who become ineligible for ETCH health coverage can also be eligible for continuation coverage for 36 months. Premiums are paid by the employee or family member and will be 102% of the group cost of the plan.

Our Third Party COBRA Administrator will notify you of your rights under COBRA if you separate employment or change to a PRN status.

For covered family members, you must contact Human Resources if they become ineligible under the hospital's plan.

You have 60 days after the event to elect continuation coverage.

HEALTHY CHOICES: YOUR MEDICAL OPTIONS

At East Tennessee Children's Hospital, we understand the importance of good health as the foundation for a productive life at home and at work. That is why we offer you medical plan choices through BlueCross BlueShield of Tennessee designed to help you get the care you need at a price you can afford.

Option 1- BCBS PPO

BCBS PPO is a traditional PPO plan. You have the flexibility to choose an in-network or out-of-network provider each time you need care, but keep in mind that you will save money when you visit in-network providers.

Option 2- BCBS HDHP

BCBS HDHP is a High-Deductible Health Plan (HDHP) with a Health Reimbursement Account (HRA) that is funded annually by ETCH (*for more information on the Health Reimbursement Account, please see page 9*). This option has higher deductibles but lower monthly premiums than Option 1.



Benefit Highlights	BCBS PPO		BCBS HDHP	
	In-Network	Out-of-Network	In-Network	Out-of-Network
Annual Deductible For PPO Plan (applies to Home Health and Rehab Services only)	Individual - \$300 Family - \$600	Individual - \$600 Family - \$1,200	Individual - \$1,200 Family - \$3,000	Individual - \$2,400 Family - \$6,000
Annual Out-of-Pocket Maximum	Individual - \$2,500 Family - \$5,500	Individual - \$4,000 Family - \$8,000	Individual - \$3,000 Family - \$6,000	Individual - \$6,000 Family - \$12,000
Lifetime Maximum	Unlimited		Unlimited	
Dependent Age Limit	To age 26		To age 26	
4th Quarter Ded. Carryover Provision	Included		Not Included	
Office Visits <ul style="list-style-type: none"> Office Visits¹ Maternity Office Surgery⁴ Routine Diagnostic Lab, X-ray & Injections Advanced Radiological Imaging⁵ Provider-Administered Specialty Drugs¹⁰ 	\$30/\$50 copay \$200 copay (1st visit only) No additional copay No additional copay \$100 copay \$60 copay	40% coins. after ded. 40% coins. after ded. 40% coins. after ded. 40% coins. after ded. 40% coins. after ded. 40% coins. after ded.	20% coins. after ded. 20% coins. after ded. 20% coins. after ded. 20% coins. after ded. \$60 copay	40% coins. after ded. 40% coins. after ded. 40% coins. after ded. 40% coins. after ded. 40% coins. after ded.
Preventive Health Care Services <ul style="list-style-type: none"> Well Child Care (to age 6) Annual Well Woman Annual Mammography, Age 40+ Annual Cervical Cancer Screening Annual Prostate Cancer Screening, Age 50+ Immunizations Well Care Services (age 6 and up)¹¹ 	Covered in Full Covered in Full Covered in Full Covered in Full Covered in Full Covered in Full Covered in Full	40% coins. after ded. 40% coins. after ded. 40% coins. after ded. 40% coins. after ded. 40% coins. after ded. 40% coins. after ded.	Covered in Full Covered in Full Covered in Full Covered in Full Covered in Full Covered in Full	40% coins. after ded. 40% coins. after ded. 40% coins. after ded. 40% coins. after ded. 40% coins. after ded. 40% coins. after ded.
Services Received at a Facility (includes professional and facility charges) <ul style="list-style-type: none"> Inpatient Services^{3, 12} Inpatient Physician Surgical Services Outpatient Surgery^{3, 4} Routine Diagnostic Services - Outpatient Advanced Radiological Imaging - Outpatient^{3, 5} Provider-Administered Specialty Drugs¹⁰ Other Outpatient Services⁶ Emergency Care Services⁸ Emergency Care Physicians Service Emergency Care Advanced Radiological Imaging⁵ 	10% coins. after \$400 copay/Adm 10% coins. after \$100 copay/Adm 10% coins. after \$300 copay \$0 copay \$100 copay \$0 copay \$0 copay \$200 copay \$30 copay \$0 copay	40% coins. after ded. 40% coins. after ded. 40% coins. after ded. 40% coins. after ded. 40% coins. after ded. 40% coins. after ded. 40% coins. after ded. \$200 copay 40% coins. after ded. 40% coins. after ded.	20% coins. after ded. 20% coins. after ded. 20% coins. after ded. 20% coins. after ded. 20% coins. after ded. 20% coins. after ded. 20% coins. after ded. 20% coins. after ded.	40% coins. after ded. 40% coins. after ded. 40% coins. after ded. 40% coins. after ded. 40% coins. after ded. 40% coins. after ded. 20% coins. after ded. 20% coins. after ded.

Benefit Highlights	BCBS PPO		BCBS HDHP	
	In-Network	Out-of-Network ²	In-Network	Out-of-Network ²
Medical Equipment <ul style="list-style-type: none"> Durable Medical Equipment Prosthetics Orthotic Appliances Hearing Aids (18 yrs and under) 	\$0 copay \$0 copay \$0 copay Covered in Full	Not covered Not covered Not covered 40% coins. after ded.	20% coins. after ded. 20% coins. after ded. 20% coins. after ded. 20% coins. after ded.	Not covered Not covered Not covered 40% coins. after ded.
Behavioral Health <ul style="list-style-type: none"> Inpatient: Unlimited days per annual benefit period Outpatient: Unlimited visits per annual benefit period 	10% coins. after \$400 copay \$30 copay	40% coins. after ded. 40% coins. after ded.	20% coins. after ded. 20% coins. after ded.	40% coins. after ded. 40% coins. after ded.
Therapeutic Services⁷ <ul style="list-style-type: none"> Therapy (Limited to 60 visits per annual benefit period per therapy type) 	10% coins. after ded.	40% coins. after ded.	20% coins. after ded.	40% coins. after ded.
Skilled Nursing Facility³ <ul style="list-style-type: none"> Limited to 60 days combined per calendar year 	\$100 copay	40% coins. after ded.	20% coins. after ded.	40% coins. after ded.
Rehabilitation Facility Services³ <ul style="list-style-type: none"> Limited to 60 days combined per calendar year 	0% coinsurance after ded.	40% coins. after ded.	20% coins. after ded.	40% coins. after ded.
Chiropractic Services <ul style="list-style-type: none"> Limited to 30 visits per calendar year 	20% coins.	40% coins. after ded.	20% coins. after ded.	40% coins. after ded.
Home Health Services³ <ul style="list-style-type: none"> Limited to 60 visits per calendar year 	10% coins. after ded.	Not covered	20% coins. after ded.	40% coins. after ded.
Hospice Services	Covered in full	40% coins. after ded.	Covered in full	40% coins. after ded.
Ambulance Services	\$50 copay	\$50 copay	20% coins. after ded.	20% coins. after ded.
Optum Rx Prescription Drug Coverage (30-Day Supply)⁹				
• Generic	\$15	Not covered	\$15	Not covered
• Preferred	\$55	Not covered	\$55	Not covered
• Non-Preferred	\$80	Not covered	\$80	Not covered
• Specialty	\$100	Not covered	\$100	Not covered
Optum Rx Prescription Drug Coverage (90-Day Supply)⁹				
• Generic	\$22.50	Not covered	\$22.50	Not covered
• Preferred	\$82.50	Not covered	\$82.50	Not covered
• Non-Preferred	\$120	Not covered	\$120	Not covered
• Specialty	\$150	Not covered	\$150	Not covered

1. The lower copay applies to Family Practice, General Practice, Internal Medicine, OB/GYN, Pediatrics, Nurse Practitioners and Physician Assistants.
2. Out-of-network benefit payment based on BlueCross BlueShield of Tennessee maximum allowable charge. You are responsible for paying any amount exceeding the maximum allowable charge.
3. Services require prior authorization. When using network providers outside Tennessee and all out-of-network providers, benefits will be reduced to 50% if prior authorization is not obtained and services are medically necessary. If services are not medically necessary, no benefits will be provided.
4. Surgeries include incisions, excisions, biopsies, injection treatments, fracture treatments, applications of cast and splints, sutures, and invasive diagnostic services (e.g. colonoscopy, sigmoidoscopy and endoscopy).
5. CAT scans, PET scans, MRIs, nuclear medicine and other similar technologies.
6. Includes services such as chemotherapy, radiation therapy, and renal dialysis.
7. Physical, speech, manipulative, and occupational therapies are limited to 60 visits per therapy type per annual benefit period. Cardiac and pulmonary rehabilitative therapies are limited to 60 visits per therapy type per annual benefit period.
8. Copay, if applicable, waived if admitted to hospital.
9. Refer to www.OptumRx.com for the most current formulary list and specialty drug details.
10. Services include annual health assessment, childhood immunizations, recommended adult immunizations, vision and hearing screenings performed by the physician during the preventive health exam.
11. Inpatient services at ETCH subject to \$250 copay per admission.

How to find a Medical Provider

- Go to www.bcbst.com
- Look for “Find a Doctor” (right side of page)
- Click on “Begin Your Search,” Network P
- Select doctor, hospital, pharmacy, etc. (left side of page)
- Choose search type
- Enter zip code and ID prefix
- Click “Get Results” and results will be displayed

How to find a Participating Pharmacy

- Go to www.OptumRx.com
- Click New Registration option or if already registered, log-in
- Register for an account
- Click on the Pharmacy Locator Tab
- Type in the pharmacy name with address or zip code or you can search by address/zip code and pharmacy distance
- Click the Search button

Retiree Medical Insurance Plan

You have the option of continuing your medical insurance benefits under East Tennessee Children’s Hospital if you are 55 years of age or older and your age, plus years of service with ETCH, equals 72 or more on the date your employment ends. Your medical insurance benefits terminate at age 65 or the date you become eligible for Medicare. Premiums are paid by you each month and are the same as COBRA premiums. For more information, contact Human Resources. Dental, Vision, Health Flexible Spending and EAP benefits if enrolled, may continue under COBRA for up to 18 months.

- Our medical plans (PPO and High Deductible Health plan) are part of Network P of BlueCross BlueShield of TN
- Our plans have no pre-existing condition and require no referrals for specialist office visits

Medical Plan Waiver (BOP Dollars)

What are BOP Dollars? BOP Dollars is a benefit that is offered to full-time benefit-eligible ETCH employees who choose to waive our medical insurance. To be eligible for this program, the ETCH employee must be covered under another group plan. A group plan is defined as Tricare, Champus Supplements, spouse’s plan and other group plans. Plans that are not eligible are TennCare or another Medicaid-sponsored insurance, your parent’s insurance or married spouses that are employed at ETCH.

BOP Dollars are issued each pay period that an employee is eligible for the credit. The annual credit is \$600, or \$25 per pay period.

- Eligibility can change with employment status or qualifying event during the plan year.

Mid-Year Status Change

There are some mid-year changes that allow an employee to be eligible for BOP Dollars. Please contact your Benefits Department to inquire if your mid-year change is eligible.

Annual Enrollment Period

When an eligible employee provides proof of other qualified coverage during Annual Enrollment, he or she will receive a BOP dollar credit each eligible pay period, up to \$600 annually.

BOP Dollars is a benefit that is offered to full-time benefit eligible ETCH employees who choose to waive our medical insurance.

HEALTH REIMBURSEMENT ACCOUNT (HRA)

How does a Health Reimbursement Account (HRA) work?

A Health Reimbursement Account will be set up for employees ONLY when enrolling in the High Deductible Health Plan (HDHP). East Tennessee Children’s Hospital will fund your HRA in the following increments: \$600 (single coverage) /\$1200 (employee+dependent(s)). Pro-rated \$50/month for single and \$100/month for employee + dependents. Benefit dollars in the HRA are used to assist you in satisfying your deductible(s).

Deductible expenses are incurred when you utilize the plan for services such as office visits, ER visits, inpatient hospital, outpatient services, labs or x-rays and prescriptions.

What is YOUR responsibility?

The Member Responsibility is the portion of the deductible that you pay after to the HRA dollars have been exhausted.

How much will the HRA pay?

The HRA plan will pay \$600 per covered employee or \$1,200 for employee + dependent(s) or the appropriate pro-rated amount. Unused HRA funds will rollover year to year, up to a maximum of \$3,000.

Once the HRA funds have been exhausted and any remaining deductible amount has been met, the plan will pay covered charges at 80% and you pay 20% coinsurance for in-network services up to the in-network out-of-pocket maximum. For out-of-network benefits, the plan pays 60% and you pay 40%, up to the out-of-network out-of-pocket maximum.

Do I have to file a claim for my HRA funds?

No. The HRA plan is administered by BlueCross BlueShield of Tennessee (BCBST). Once your claim has been filed with BCBST and appropriate discounts applied, BCBST will then pay the provider directly your portion of the claim from your HRA. If a balance does exist after those funds have been exhausted, your provider will bill you for the amount. If you do have to access your personal funds to pay a qualified expense on your medical plan and wish to be reimbursed from your HRA account, you may visit the BCBST website under the forms section to file a reimbursement from your HRA.

The HRA is replenished at the beginning of each calendar year

What is the Out-of-Pocket Maximum?

Your out-of-pocket maximum is the amount you will pay for health care costs in a calendar year (including prescription copays). The out-of-pocket maximum for an individual for the calendar year is \$3,000. The out-of-pocket maximum for a family is \$6,000. Once the out-of-pocket maximum has been met, charges that are applied to your deductible/coinsurance (ER visits, inpatient services, outpatient services, lab work, etc.) are paid at 100%.

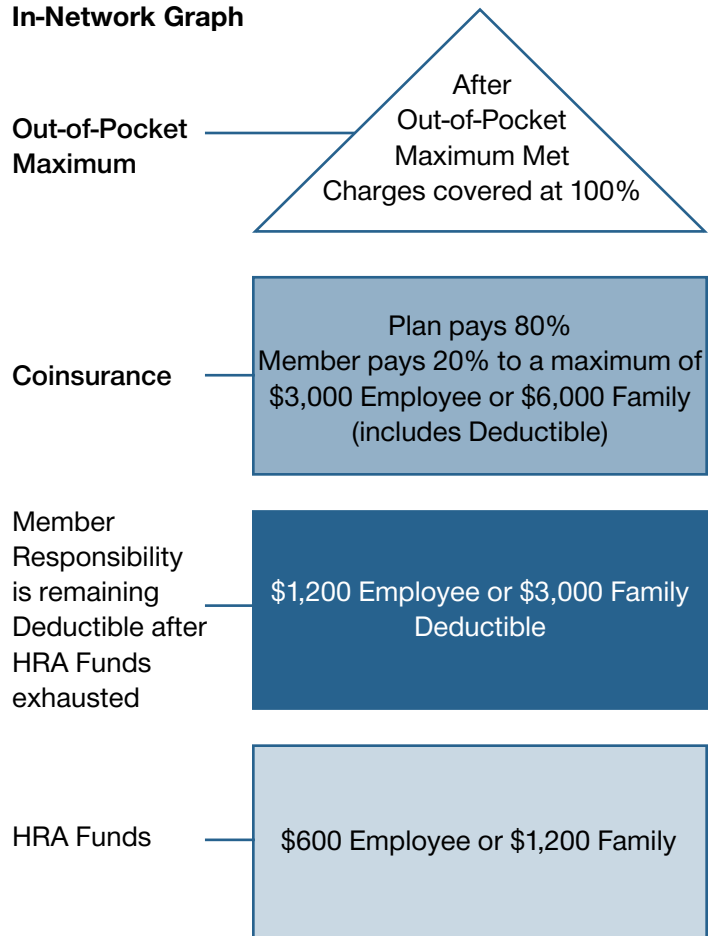
Can I make contributions to my HRA?

No, only East Tennessee Children’s Hospital can contribute to this account.

What if I’m a new hire? Do I get the full amount toward my HRA?

No, HRA funds are pro-rated for new hires. Proration is as follows: \$50 per month for the months remaining in the calendar year (single coverage) and \$100 per month for the months remaining in the calendar year (employee + dependents coverage).

In-Network Graph



YOUR COST FOR HEALTH COVERAGE

Wellness Discount

Maintaining your health is one way to help keep health care costs down for yourself and for East Tennessee Children's Hospital. You are eligible for a monthly discount on your health insurance if you participate and meet your wellness goals in the wellness program.

Interactive Health (IH) Compliance Program Process

Interactive Health (IH) has developed all program components to follow and adhere to HIPAA compliance guidelines.

IH health screenings are typically scheduled for the month of January. All employees hired prior to January are required to participate in the screenings in order to receive participant rates.

Qualification

New Hire - Automatically receives wellness participation rate at time of hire.

Year 1 - Each employee will qualify for the incentive simply by participating.

Year 2 and Beyond - Individual goals set from the previous year will have to be met in order to maintain the discount.

Maintaining your health is one way to help keep health care costs down for yourself and for East Tennessee Children's Hospital.

Three ways to qualify in Year 2 and beyond based upon each person's score or Interactive Health Index (IHI):

1. Healthy Participant has a score between -20 (negative twenty) and 0 (zero).
2. Improvement - Participant meets or exceeds the goal established by IH.
3. Participants are unable to qualify due to medical reasons. Participants should contact IH (800-840-6100). IH will work with the employee on a case-by-case basis.

Program Support

- The intent of the program is for employees to live healthier and more productive lives by getting in front of potential health issues. The benefit allows employees to have a convenient way of learning about their health status at the workplace. Employees will have at their disposal personal health coaching and other tools to help them make the changes needed to meet their goals. The program is provided at no cost to the employee.
- Employees will be offered a free "QuickCheck" thorough test on demand to measure progress six months after their evaluations.



BRIGHT SMILES: YOUR DENTAL COVERAGE

Since proper dental care improves overall health, ETCH offers all employees the opportunity to purchase dental coverage for yourself and your family. If you are a full-time employee, you will receive single coverage for a small contribution. Full-time and part-time employees may add dependents to the plan for an additional premium.

The Delta Dental plan is designed to help you maintain a healthy smile through regular preventive dental care and to fix any problems as soon as they occur. You may utilize dentists who belong to the Delta Dental network (both PPO and Premier networks) as well as dentists who are not part of the PPO network. However, you save money when you visit in-network dentists. When visiting a non-Delta Dental dental provider, you will be responsible for charges exceeding the maximum plan allowance. Please see the table below for a summary of dental benefits:

Plan Features	Network and Non-Network Benefits
Annual Deductible*	\$75 for individual/ \$150 for family
Calendar Year Maximum*	\$1,000
Diagnostic and Preventive Services (e.g., x-rays, cleanings, exams)	100%
Basic and Restorative Services (e.g., fillings, extractions, root canals, and basic oral surgery)	80%
Major Services (e.g., dentures, crowns, bridges)	50%
Orthodontia (\$1,000 Lifetime Maximum per member)	50%

* Applies to basic, major, and restorative services only

How to find a Dental Provider

- Go to www.deltadentaltn.com
- Look for “Find a Dentist” (middle of page)
- Select your network
- Enter your location and other search criteria
- Click “Search for Dentist” and results will be displayed

SEE CLEARLY: YOUR VISION COVERAGE

The vision plan includes benefits for eye exams, eye-glasses, and contact lenses through Superior Vision. You may visit a doctor within the Superior Vision network and take advantage of higher benefits coverage, or visit an out-of-network provider of your choice for a reduced benefit. The following chart summarizes benefits under the vision plan:

Plan Features	Frequency	Plan Benefits	Out-of-Network Benefits
Exam	Once every 12 months	\$10 copay	Up to \$26 retail
Lenses	Once every 12 months	\$20 materials copay	Single vision (up to \$32 retail); Bifocal (up to \$46 retail); Trifocal (up to \$57 retail)
Frames	Once every 24 months	100% In-network up to \$125	Up to \$65 retail
Contact Lenses	Once every 12 months	\$25 contact lens fitting fee	Fitting Fee Not Covered
		Up to \$120	Up to \$100

For more information on your vision coverage visit www.superiorvision.com.

How to find a Vision Provider

- Go to www.superiorvision.com
- Click on “Locate a Provider”
- Enter your zip code
- Click “Search”
- Results of your search will be displayed

FLEXIBLE SPENDING ACCOUNTS (FSAs)

Flexible Spending Accounts (FSAs) are a tax-saving way to pay health care and dependent care expenses that you would typically pay out-of-pocket. Although FSAs require a little planning on your part, you will find that the financial rewards are worth the effort. FSAs allow you to pay for eligible health care and dependent care expenses with contributions taken from your pay before taxes are withheld. Since these contributions are not subject to federal, state or payroll tax withholding, you receive more value for the dollars you spend on eligible expenses for you and your family. FSAs let you pay these expenses with pre-tax dollars. This means that the money you set aside is not taxed, so you save money.

Each year that you would like to participate in an FSA, you must elect the amount you want to contribute to either or both of the flexible spending accounts. Your contributions will be deducted from your paychecks in equal installments throughout the year and deposited into your account(s).

Health Care FSA Annual Contribution Amount

You can elect to contribute any amount between \$10/PP to \$2,600 per year to the Health Care FSA.

Employees may contribute between \$10/PP and \$5,000 (\$2,500 if you are married and file your taxes separately) to the Dependent Care FSA.

Important Rules to Keep in Mind

FSAs offer sizable tax advantages. The trade-off is that these accounts are subject to strict IRS regulations, including the following:

- The ETCH FSA plan year runs from May 1st – April 30th); ETCH recognizes the IRS carry over provision and will allow you to carry over a maximum of \$500.00 of unused pre-tax dollars in their Medical Flexible Spending Account, to the next plan year. Example: If a participant elects \$2,600 for their May 1st Medical FSA and upon April 30th, the participant has a balance of \$400, the funds will be rolled over to the new plan year, after 90 days from the previous plan year end.
- Once you enroll in the FSAs, you cannot change your contribution amount during the year unless you experience a qualified status change.
- You cannot transfer funds from one FSA to another.
- If you are unable to estimate your health care and dependent care costs accurately, it is better to be conservative and underestimate rather than overestimate your expenses.

FSAStore.com is an excellent resource for additional items which are FSA eligible.

FSA Reimbursement

When you pay for eligible health care and dependent care expenses, simply submit a claim form and copies of your receipts to WageWorks for reimbursement. You can download claim forms as well as manage your FSAs at www.wageworks.com.

FSA Type	Eligible Expenses See a complete list of qualified expenses on the following link: http://wageworks4me.com/spendit	Contributions
Health Care FSA	<ul style="list-style-type: none"> • Medical, dental and vision deductibles, coinsurance, copays and other out-of-pocket expenses • Vision care including prescription glasses, contact lenses and solution, non-prescription glasses if for vision correction • Hearing care 	Up to \$2,600 annually
Dependent Care FSA	<ul style="list-style-type: none"> • Services provided by anyone other than your spouse, your dependent, or one of your children under the age of 19 • Services in a day care center • Services of a housekeeper whose duties include providing care for a qualified dependent 	Up to \$5,000 annually

***If you have questions concerning your WageWorks account you may access your account via the web at www.wageworks.com or call 877-924-3967 and a customer service representative will assist you.**

BASIC LIFE AND ACCIDENTAL DEATH AND DISMEMBERMENT INSURANCE

As an important part of your personal financial planning, ETCH offers you Basic Life and Accidental Death and Dismemberment (AD&D) Insurance to protect your family if you die, become disabled, or experience an injury or illness. Benefits are provided at no cost to you. For both Basic Life and AD&D insurance, you are covered in an amount equal to **1.5 times your base annual salary to a maximum of \$500,000**. You must choose a beneficiary to receive benefits in the event of your death. This is a benefit offered to our full-time employees.



VOLUNTARY BENEFITS

Voluntary Life Insurance

You have the opportunity to purchase additional life insurance coverage for yourself, your spouse and your children. Consider costs such as funeral expenses, legal expenses, and general living expenses for your surviving family members when determining an appropriate amount of additional coverage.

	Maximum Amount Available	Guarantee Issue Amount (No health questions required)
Employee	Up to 3 times salary to a maximum of \$100,000	Up to \$100,000 or 3 times (lesser of the two)
Spouse	Choose between \$10,000 or \$25,000 of coverage, benefits will be paid to employee; cannot exceed 50% of employee's basic and supplemental term life amount	Up to \$25,000
Children	\$5,000 per child maximum for children over 6 months of age, benefits will be paid to employee	Up to \$5,000

If you do not purchase supplemental life insurance when first eligible, you will be required to complete an Evidence of Insurability form for any future enrollments.

Group life insurance can be portable or convertible to a private policy with rates upon separation of employment/retirement.

Accident Insurance

As a full-time or part-time ETCH employee, you can purchase Accident Insurance through VOYA to help cover unexpected costs that arise due to an accident, such as ambulance services and Emergency Room fees. Premiums for this benefit are paid with after-tax dollars.

This policy pays a specified benefit amount for:

- Initial care such as ambulance, emergency room and initial doctor visit
- Follow-up care such as outpatient doctor's treatment and medical appliances
- Injuries, including burns, dislocations and fractures
- Catastrophic accident events
- Accidental death

Who Can Be Covered

You are eligible to apply for this coverage if you are 18 years or older, you are a benefits-eligible employee who meets the hours worked-per-week requirement, and you are actively at work on the enrollment date. You may also cover your spouse and dependent children.

Spouse and Dependent Child Coverage

Spouse and dependent child coverage are issued as riders:

- Spouse Accident Rider: Coverage is available to your spouse, as long as you are covered and your spouse is between 18 through 74 years of age.
- Child(ren)'s Accident Rider: Coverage is available to your unmarried, natural children, adopted children, or stepchildren from birth through the age of 24* as long as you are covered. Age restrictions are waived for disabled dependent children.

* May vary by state

Guaranteed Acceptance

This coverage is available to you without answering health questions.

Convenient Coverage

The availability of payroll deduction makes it convenient for you to pay for your plan.

Portability

Should you retire or leave ETCH for any reason, this coverage can be taken with you. As long as you continue coverage, spouse and dependent coverage can also be continued with no change in premium amount. A direct bill payment option must be elected.

Critical Illness Insurance

Another way to prepare for the unexpected is through Critical Illness Insurance. If you are diagnosed with a major illness such as a heart attack, stroke, coma, paralysis, major organ failure and end-stage renal failure, you can receive a one-time lump sum payment. Also, with this benefit you will be eligible to receive a \$50 wellness benefit per calendar year if eligible. If you enroll in Critical Illness Insurance, you will pay the premium with after-tax dollars.

Features of Premier Critical Illness with Cancer Coverage Insurance

Premier Critical Illness provides protection by paying an immediate, lump sum benefit following the diagnosis of one of several specified diseases or conditions. ETCH has elected a robust plan with two comprehensive options – Critical Illness with or without Cancer – for your added protection. If you elect Critical Illness with Cancer coverage, this policy will pay the maximum benefit payout for each option. You may elect to include or exclude the cancer option from your Critical Illness policy.

Who can be covered

Employees must be full-time or part-time authorized for 15 hours or more per week and actively at work for the enrollment. The issue ages for employees are 18 through 69 years. Your spouse* and child(ren) may apply for coverage even if you don't. Issue ages for spouse are 18 through 69 and for child(ren) from birth through 24 years of age.

Because you and/or your spouse own(s) this coverage, you can choose the maximum benefit amount that fits your budget as well as your individual needs. A variety of maximum benefit amount levels are available.

Children's Critical Illness Insurance Rider

This rider provides flexibility for growing families. The premium for this rider covers all eligible dependent children in the family. Any dependent child born or adopted after the effective date of the rider may be added at no additional cost with written proof of insurability.** This rider can be added to either the employee's or the spouse's certificate, but not both.

* Definition of spouse may vary by group and state.

**May vary by group and state.

Convenience

Since your premium is paid through payroll deduction, there is no need to write checks or pay postage.

Portability

If you should leave ETCH or reduce hours worked below the required number, you may be able to take your Critical Illness Insurance with you.

Whole Life Insurance

Whole Life insurance is designed to provide a base of life insurance coverage for your lifetime. It offers you life insurance protection, tax deferred* cash accumulation (based on current tax laws), and cash value loan privileges – all in one policy.

Increases

The coverage amount of insurance can be increased to meet changing needs, subject to applicable underwriting guidelines. Coverage amount increases up to the policy maximum are allowed after the first policy year. Evidence of insurability may be required.

Payroll Deduction

Providing protection for your family has never been easier since your premium is paid through payroll deduction; you eliminate the need to write checks and pay postage.

Portability

Should you retire or leave ETCH you can take the policy with you and choose one of a number of convenient payment plans.

Guaranteed

The coverage you choose and the policy premium are guaranteed to be fixed for the life of the policy as long as you meet the required premium payments. No need to worry about whether your policy will be there when you need it most.

Guaranteed Cash Values

Whole Life insurance builds guaranteed cash values as long as you pay your premiums.

Eligibility

To apply for coverage you must be a full-time benefit eligible employee.

Spouse Coverage

Your spouse can apply for Whole Life insurance by meeting eligibility requirements, even if you choose not to apply for insurance for yourself.

Child Coverage Options

Children and grandchildren, ages 15 days through 24 years, are eligible to apply for a \$12,500, \$15,000, \$20,000 or \$25,000 individual whole life insurance policy.

* This communication is not intended or written to be used, and cannot be used by the recipient or any other person, for the purpose of avoiding any tax penalties that may be imposed on such person, and cannot be used or referred to, in promoting, marketing, or recommending to another party any transactions or matters addressed herein.



LEGALSHIELD/ID THEFT INSURANCE

What is LegalShield?

LegalShield was founded in 1972, with the mission to make equal justice under law a reality for all North Americans. The 3.5 million individuals enrolled as LegalShield members throughout the United States and Canada can talk to a lawyer on any personal legal matter, no matter how trivial or traumatic, all without worrying about high hourly costs.

LegalShield has also provided identity theft protection since 2003 with Kroll Advisory Solutions, the world's leading company in ID Theft consulting and restoration. We have safeguarded over one million members, provided more than 200,000 identity consultations, and helped restore nearly 10,000 individual identities.

The LegalShield Membership includes:

- Personal legal advice on unlimited issues
- Letters/calls made on your behalf
- Contracts and documents reviewed (up to 15 pages)
- Residential loan document assistance
- Lawyers prepare your will, your living will and your healthcare power of attorney
- Moving traffic violations (available 15 days after enrollment)
- IRS Audit assistance
- Trial defense (if named defendant/respondent in a covered civil action suit)
- Uncontested divorce, separation, adoption and/or name change representation (available 90 days after enrollment)
- 25% preferred member discount (Bankruptcy, criminal charges, DUI, etc.)
- 24/7 Emergency access for covered situations

LegalShield legal plans cover the member; member's spouse; never married dependent children under 21 living at home; dependent children under age 18 for whom the member is legal guardian; never married, dependent children up to age 23 if a full-time college student; and physically or mentally disabled children.

The Identity Theft Plan includes:

- Credit Report - Secure web access to your up-to-date single bureau credit report.
- Credit score/Analysis - Detailed analysis of your personal credit score with your first credit report.
- Monitoring/Activity Alerts - Activate continuous credit monitoring of your credit file via our secure website. E-mail alerts notify you of activity on your credit file.
- Full Service Restoration - Complete identity recovery services by Kroll licensed private investigators to get your identity restored to its pre-theft status if it is stolen.
- Safeguard for minors (optional based on your plan) - Monitoring and alerts for credit files in your child's name, expert credit consultation and valuable information on credit education. Available for up to 8 dependents under the age of 18.

LegalShield Identity Theft plan covers the member, member's spouse, and up to 8 dependents up to the age of 18.

DISABILITY INCOME PROTECTION

East Tennessee Children’s Hospital recognizes the importance of your financial well-being in the event of a disability. Most of us insure our homes, automobiles, and other assets, yet we often overlook our most valuable asset – our ability to earn an income! Your regular monthly obligations such as your mortgage or rent, utility bills, food, and other necessities, continue even if you are unable to work. ETCH covers full-time employees who have been employed for twelve months with extended sick leave and long-term disability coverage.*

Extended Sick Leave (ESL)

After you exhaust your sick leave and PTO benefits, the ESL plan provides 60% of your bi-weekly base pay from the 85th calendar day to the 180th calendar day of continuous absence due to injury/illness while on active status. ESL is only available after sick leave and PTO have been exhausted. In all cases, ESL ends the 180th calendar day of continuous absence. While on ESL, it is necessary to provide a medical statement from your provider to Employee Health and Wellness every 30 days in order to continue your ESL benefit.

Long-Term Disability (LTD)

Long-term disability coverage will replace 60% of your base pay to a monthly maximum if you are disabled for more than 180 days and are unable to work. LTD benefits are offset with other sources of income such as ETCH Money Purchase Pension Plan, Social Security, and workers’ compensation.

Disability Insurance - The Hartford			
	Elimination Period	Coverage Duration	Benefit Amount
Extended Sick Leave	84 days	From 85 th day to the 180 th day of continuous absence	60% of base salary
Long-Term Disability	180 days	2 years own occupation	60% of base salary (up to certain limits)

***Injury/illness that occurs prior to twelve months of active employment will not be covered under these plans**



OTHER BENEFITS

Tuition Reimbursement

Full-time and part-time employees who have been employed at least twelve months are eligible for the Educational Assistance Program. You must complete 12 months of active employment before your class begins. Reimbursement is available for employees in good standing, with a satisfactory grade for the course. Reimbursement is made for tuition costs only- books and lab fees are not included in the reimbursement program. Only eligible out-of-pocket expenses will be reimbursed. Any monies paid by scholarship or grant are not considered as reimburseable funds.

The Educational Assistance application must be completed and approved by the department head and Human Resources before any course is taken. Upon completion of the course, the reimbursement will require submission of an itemized statement and final grades submitted to Human Resources.

An employee who has received Educational Assistance and separates employment (or changes to PRN status) within the payback period must repay all reimbursed funds to ETCH.

By accepting educational assistance, an employee expressly authorizes Children's Hospital to withhold any repayment amounts required under this policy from any amounts owed to the employee (including but not limited to the employee's final pay check or PTO pay).

Please refer to the Educational Assistance and Reimbursement Policy for additional details.

Employee Assistance Program

The Employee Assistance Program (EAP) offers you and your immediate family free, confidential counseling for the day-to-day challenges that you may encounter. Contact Westside Psychology and EAP at 865-690-0962 or online at www.eapplus.com for additional information. This benefit is for part-time and full-time employees. The Employee Assistance Program allows for 6 visits/per issue/per eligible family member/per calendar year.

EAST TENNESSEE CHILDREN'S HOSPITAL



Employee Assistance Program (EAP)

Full-time and part-time employees of Children's Hospital and their families can receive confidential counseling services for free.

What is employee assistance?

It provides you help with:

- Marriage counseling
- Financial concerns
- Issues with loss or grief
- Personal psychological problems
- Problems with children or teenagers
- Children's school problems
- Problems with anxiety or depression
- Personal or family issues with alcohol or drugs
- Job related problems or stress
- Anything of a personal or psychological nature



Form No. 30385 (09/13) ss

ETCH PERKS AND DISCOUNTS

Uniforms

Employee discounts and payroll deduction are available at the following locations:

- Lambert’s Health Care
11390 Parkside Drive
(Turkey Creek Center)
865-691-7305
- Lambert’s Health Care
4901 North Broadway
(Intersection of Broadway & Woodrow - 0.4 mile
North of I-640 in former Walgreen’s bldg)
865-523-1103

Lambert’s Health Care has a large selection of uniform styles and sizes in stock. They will also special order a size that they do not normally stock. They are offering ETCH employees a 30% discount on all uniform/lab coat purchases only. You must show your badge to receive this discount.

- Ginger’s Uniforms
220 S. Calderwood Street
Midland Plaza
Alcoa, TN 37701
865-681-1181

Ginger’s offers a 30% discount to ETCH employees and has a large selection of uniform styles and sizes in stock. Discount applies to all items in the store.

Please visit the store(s) and decide on your purchase. If you want to payroll deduct, you will sign a payroll deduction form, which will be forwarded to the Payroll Department for processing.

Balance	Schedule of Deductions
Up to \$100	\$20 per pay period
Up to \$200	\$40 per pay period
Up to \$300	\$60 per pay period
Over \$300	Amount over \$300 + \$60
PRN employees	Will take balance in full

UT Federal Credit Union

You will find banking is better at UT Federal Credit Union for several reasons.

From the variety of services to the friendly people, UTFCU is here for you! At UTFCU, you’ll find everything you expect in checking account services and more, with added benefits such as debit cards, free home banking, free mobile banking, free bill pay, and direct deposit.

Checking Accounts	Loans for your Life	Savings Accounts
U Rewards Checking	Credit Cards- Visa & MasterCard	Primary & Choice Savings
Generations Gold Checking	Automobile	Money Market
FREE Economy Checking	Recreational Vehicle	Holiday Club
Deluxe Checking	Secured Loans	Smokey Saver
Power U Checking	Unsecured Loans	Certificates

For more information on all the services offered by UT Federal Credit Union, call or come by any of our branches or visit us online at utfcu.org.

- **Cafeteria:** 10% discount WITH badge
- **Gift Shop:** Proceeds benefit ETCH

Balance	Schedule of Deductions
Up to \$100	\$20 per pay period
Up to \$200	\$40 per pay period
Up to \$300	\$60 per pay period
Over \$300	Amount over \$300 + \$60
PRN employees	Will take balance in full

- **Pharmacy:** OTC meds at discounted prices
- **Dollywood:** At open enrollment
- **AAA travel:** Payroll deduct available
- **Fantasy of Trees:** Two Complimentary Tickets

If enrolled in ETCH BCBS health insurance:

- **UT Hospital:** \$100 Emergency Room Co-payment
- **Covenant (Facilities Charge):** \$150 Out-Patient discount (except ER visits); \$350 In-Patient discount

PAID LEAVE BENEFITS

East Tennessee Children’s Hospital provides a variety of benefits for those expected and unexpected events when you need time away from work. For more information about these benefits, refer to your Employee Handbook or contact Human Resources.

Funeral Leave

If someone in your family dies, you may arrange for funeral leave in order to make the necessary arrangements. For a list of eligible family members, please refer to the employee handbook. Leave can be taken from the day of notification of the death until one week after the funeral. The amount of paid time you can receive depends on your employee status as shown below:

- Full-time employees: Up to three scheduled workdays (24 hours maximum)
- Part-time employees: one scheduled workday (8 hours maximum)

Should you need additional time using PTO or time off without pay, you may submit a request through your immediate supervisor.

Paid Time Off (PTO)

After 90 days of employment, employees who are authorized to work 30 or more hours per pay period may begin using accrued Paid Time Off hours. PTO includes vacation days and hospital-recognized holidays. Keep in mind that due to the seasonal nature of a pediatric hospital, departments may restrict PTO usage at certain times to assure adequate staffing. The number of PTO hours you earn depends on your authorized hours and your length of continuous service at the hospital as shown below:

PTO Hours Earned Per Pay Period

Years of Service	Bi-weekly authorized hours													
	30.00	32.00	37.50	40.00	45.00	48.00	52.50	56.00	60.00	64.00	67.50	72.00	75.00	80.00
0-5	1.85	1.97	2.31	2.47	2.77	2.96	3.24	3.45	5.54	5.91	6.24	6.65	6.93	7.39
6-10	2.31	2.47	2.89	3.08	3.47	3.70	4.04	4.31	6.47	6.90	7.27	7.76	8.08	8.62
11-15	2.54	2.71	3.18	3.39	3.81	4.07	4.45	4.74	6.93	7.39	7.79	8.31	8.66	9.24
16+	3.00	3.20	3.75	4.00	4.50	4.80	5.25	5.60	7.85	8.37	8.83	9.42	9.81	10.47

To calculate PTO hours earned each year, multiply the appropriate figure above by 26 pay periods.

Maximum PTO Hours

The maximum number of PTO hours you can accumulate is 1.5 times the amount of PTO hours you accrue in a single year. Once you reach the maximum hours, the accrual will stop until the PTO hours balance falls below the maximum.

Jury Duty

If you receive a jury summons, notify your supervisor immediately. ETCH will provide your regular rate of pay for your full shift if you serve three or more hours of jury duty. You are expected to report to work if you serve less than three hours of jury duty on any work day.

In order to avoid financial loss, if you are chosen to serve on a state or federal jury, ETCH will cover your regular pay for scheduled work for the period you serve. Submit a statement from the court clerk indicating the time you served on the jury to your supervisor.

ETCH will provide your regular rate of pay for your full shift if you serve three or more hours of jury duty on any work day.

Sick Leave

ETCH provides you with sick leave benefits to protect you and your family against loss of income due to an illness or injury. You will accumulate sick leave in a bank of time called Personal Sick Bank (PSB) as shown in the chart below.

Personal Sick Bank (PSB) Accrual Rates

	Bi-weekly authorized hours													
	30.00	32.00	37.50	40.00	45.00	48.00	52.50	56.00	60.00	64.00	67.50	72.00	75.00	80.00
Annual Accrual	21.00	22.40	26.25	28.00	31.50	33.60	36.75	39.20	42.00	44.80	47.25	50.40	52.50	56.00
PPE	0.81	0.87	1.01	1.08	1.22	1.30	1.42	1.51	1.62	1.73	1.82	1.94	2.02	2.16

Personal Sick Bank (PSB)

Your short-term bank will be used for your own illnesses any duration of time. If you exhaust your PSB and experience an illness or injury, you may use PTO. Any absence in excess of 7 calendar days using PSB will require medical clearance from Employee Health & Wellness. Note: Unscheduled absences using PTO and/or PSB are subject to corrective action guidelines.

Years of Service	Maximum Accruals
0-15	500 hours
15+	1000 hours



RETIREMENT BENEFITS

Saving for your future is a vital part of your financial planning. East Tennessee Children's Hospital offers a retirement program in order to help you build a strong financial foundation for your retirement income. This program is a combination of the Pension Plan and 403(b) Plan.

Pension Plan

In addition to offering a 403(b) plan, we also sponsor and finance a defined contribution pension plan to all employees 21 years or older who work 1,000 hours a year or more upon completion of one year of employment. The hospital makes contributions semi-annually to the pension plan based on your gross earnings and length of service. You are partially vested at two years in the plan and fully vested after six years. Payout benefits are included for early retirement, late retirement, disability, and death.

403(b)

ETCH offers a 403(b) plan to assist you in saving for your retirement. When you participate in the 403(b) plan, you build retirement savings while reducing current taxable income. You can contribute to the plan on a pre-tax basis through payroll deductions, up to the IRS limits — if over the age of 50, a catch-up contribution is available. The hospital will match 50% of your contributions to a maximum of 2% of your earnings annually. You must contribute at least 4% of your income to receive the full match from ETCH.

Saving for your future is a vital part of your financial planning. Take a look at the retirement program offered by East Tennessee Children's Hospital.

NOTE: Once an employee meets the pension plan eligibility criteria and is contributing to the ETCH 403(b) Plan, the company match will be placed in the ETCH Pension Plan.



CONTACT INFORMATION

If you have any questions after you enroll, please call the benefit plan providers directly or log on to their Web sites. **See the table below for contact information.**

Benefit	Contact	Telephone	Web Address
Medical	BlueCross BlueShield of Tennessee	800-565-9140	www.bcbst.com
Prescription Drugs	Optum	877-633-4461	www.optumrx.com
Dental	Delta Dental of TN	800-223-3104	www.deltadentaltn.com
Vision	Superior Vision	800-507-3800	www.superiorvision.com
Flexible Spending Accounts (FSAs)	WageWorks	877-924-3967	www.wageworks.com
Life and AD&D	The Hartford	888-563-1124	www.thehartford.com
Extended Sick Leave	ETCH / Human Resources	865-541-8267	N/A
Long Term Disability	The Hartford	800-303-9744	www.thehartford.com
Voluntary Benefits	VOYA	800-537-5024	www.voya.us
Credit Union	UT Federal Credit Union	865-971-1971	www.utfcu.org
Retirement Services	Paul Bates	865-293-4675	pbates@sageviewadvisory.com
Sageview Advisory Services 403(b)	Lincoln Financial Group	800-234-3500	www.lfg.com
ETCH Pension	ETCH Human Resources Department	865-541-8748	DLBallenger@etch.com
Legal	LegalShield	Lauren Underhill: 800-876-0030	electrans@legalshieldcorp.com

IMPORTANT NOTICES

- 25 Important Notice from East TN Children’s Hospital About Your Prescription Drug Coverage and Medicare
- 26 Patient Protection Model Disclosure
- 27 HIPAA Special Enrollment Notice
- 27 Notice of Availability East Tennessee Children’s Hospital Health and Welfare Plan Notice of Privacy Practices
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Important Notice from East TN Children’s Hospital About Your Prescription Drug Coverage and Medicare

Please read this notice carefully and keep it where you can find it. This notice has information about your current prescription drug coverage with East TN Children’s Hospital and about your options under Medicare’s prescription drug coverage. This information can help you decide whether or not you want to join a Medicare drug plan. If you are considering joining, you should compare your current coverage, including which drugs are covered at what cost, with the coverage and costs of the plans offering Medicare prescription drug coverage in your area. Information about where you can get help to make decisions about your prescription drug coverage is at the end of this notice.

There are two important things you need to know about your current coverage and Medicare’s prescription drug coverage:

1. Medicare prescription drug coverage became available in 2006 to everyone with Medicare. You can get this coverage if you join a Medicare Prescription Drug Plan or join a Medicare Advantage Plan (like an HMO or PPO) that offers prescription drug coverage. All Medicare drug plans provide at least a standard level of coverage set by Medicare. Some plans may also offer more coverage for a higher monthly premium.
2. East TN Children’s Hospital has determined that the prescription drug coverage offered by the East TN Children’s Hospital Health and Welfare Plan is, on average for all plan participants, expected to pay out as much as standard Medicare prescription drug coverage pays and is therefore considered Creditable Coverage. Because your existing coverage is Creditable Coverage, you can keep this coverage and not pay a higher premium (a penalty) if you later decide to join a Medicare drug plan.

When Can You Join A Medicare Drug Plan?

You can join a Medicare drug plan when you first become eligible for Medicare and each year from October 15th to December 7th.

However, if you lose your current creditable prescription drug coverage, through no fault of your own, you will also be eligible for a two (2) month Special Enrollment Period (SEP) to join a Medicare drug plan.

What Happens To Your Current Coverage If You Decide to Join A Medicare Drug Plan?

If you decide to join a Medicare drug plan, your current East TN Children’s Hospital coverage will not be affected.

	Traditional	Rewards
Generic	\$15	\$15
Preferred	\$55	\$55
Non-Preferred	\$80	\$80
Specialty	\$100	\$100

If you do decide to join a Medicare drug plan and drop your current East TN Children’s Hospital coverage, be aware that you and your dependents will be able to get this coverage back.

When Will You Pay A Higher Premium (Penalty) To Join A Medicare Drug Plan?

You should also know that if you drop or lose your current coverage with East TN Children’s Hospital and don’t join a Medicare drug plan within 63 continuous days after your current coverage ends, you may pay a higher premium (a penalty) to join a Medicare drug plan later.

If you go 63 continuous days or longer without creditable prescription drug coverage, your monthly premium may go up by at least 1% of the Medicare base beneficiary premium per month for every month that you did not have that coverage. For example, if you go nineteen months without creditable coverage, your premium may consistently be at least 19% higher than the Medicare base beneficiary premium. You may have to pay this higher premium (a penalty) as long as you have Medicare prescription drug coverage. In addition, you may have to wait until the following October to join.

For More Information About This Notice Or Your Current Prescription Drug Coverage...

Contact the person listed below for further information.
NOTE: You'll get this notice each year. You will also get it before the next period you can join a Medicare drug plan, and if this coverage through East TN Children's Hospital changes. You also may request a copy of this notice at any time.

For More Information About Your Options Under Medicare Prescription Drug Coverage...

More detailed information about Medicare plans that offer prescription drug coverage is in the "Medicare & You" handbook. You'll get a copy of the handbook in the mail every year from Medicare. You may also be contacted directly by Medicare drug plans.

For more information about Medicare prescription drug coverage:

- Visit www.medicare.gov
- Call your State Health Insurance Assistance Program (see the inside back cover of your copy of the "Medicare & You" handbook for their telephone number) for personalized help
- Call 1-800-MEDICARE (1-800-633-4227). TTY users should call 1-877-486-2048.

If you have limited income and resources, extra help paying for Medicare prescription drug coverage is available. For information about this extra help, visit Social Security on the web at www.socialsecurity.gov, or call them at 1-800-772-1213 (TTY 1-800-325-0778).

Remember: Keep this Creditable Coverage notice. If you decide to join one of the Medicare drug plans, you may be required to provide a copy of this notice when you join to show whether or not you have maintained creditable coverage and, therefore, whether or not you are required to pay a higher premium (a penalty).

Date: 5/1/2017

Name of Entity/Sender: East Tennessee Children's Hospital

Contact-Position/Office: Allison McGowan, Manager Compensation, Benefits, HRIS

Address: 2018 Clinch Avenue
Knoxville, TN 37916

Phone Number: 865-541-8000

Patient Protection Model Disclosure

East TN Children's Hospital generally allows the designation of a primary care provider. You have the right to designate any primary care provider who participates in our network and who is available to accept you or your family members. For information on how to select a primary care provider, and for a list of the participating primary care providers, contact the plan administrator at 865-541-8000.

For children, you may designate a pediatrician as the primary care provider.

You do not need prior authorization from East TN Children's Hospital or from any other person (including a primary care provider) in order to obtain access to obstetrical or gynecological care from a health care professional in our network who specializes in obstetrics or gynecology. The health care professional, however, may be required to comply with certain procedures, including obtaining prior authorization for certain services, following a pre-approved treatment plan, or procedures for making referrals. For a list of participating health care professionals who specialize in obstetrics or gynecology, contact the plan administrator at 865-541-8000.

HIPAA Special Enrollment Notice

If you are declining enrollment for yourself or your dependents (including your spouse) because of other health insurance or group health plan coverage, you may be able to enroll yourself or your dependents in this plan if you or your dependents lose eligibility for that other coverage (or if the employer stops contributing towards your or your dependents' other coverage). However, you must request enrollment within 30 days after your or your dependents' other coverage ends (or after the employer stops contributing toward the other coverage).

In addition, if you have a new dependent as result of marriage, birth, adoption, or placement for adoption, you may be able to enroll yourself and your dependents. However, you must request enrollment within 30 days after the marriage, birth, adoption, or placement for adoption.

Special enrollment rights also may exist in the following circumstances:

- If you or your dependents experience a loss of eligibility for Medicaid or a state Children's Health Insurance Program (CHIP) coverage and you request enrollment within [insert "60 days" or any longer period that applies under the plan] after that coverage ends; or
- If you or your dependents become eligible for a state premium assistance subsidy through Medicaid or a state CHIP with respect to coverage under this plan and you request enrollment within [insert "60 days" or any longer period that applies under the plan] after the determination of eligibility for such assistance.

Note: The 60-day period for requesting enrollment applies only in these last two listed circumstances relating to Medicaid and state CHIP. As described above, a 30-day period applies to most special enrollments.

To request special enrollment or obtain more information, contact Allison McGowan, Manager – Compensation, Benefits, and HRIS at 865-541-8000.

Notice of Availability East TN Children's Hospital Health and Welfare Plan Notice of Privacy Practices

THIS NOTICE DESCRIBES HOW YOU MAY OBTAIN A COPY OF THE PLAN'S NOTICE OF PRIVACY PRACTICES, WHICH DESCRIBES THE WAYS THAT THE PLAN USES AND DISCLOSES YOUR PROTECTED HEALTH INFORMATION.

East TN Children's Hospital Health and Welfare Plan (the "Plan") provides health benefits to eligible employees of East TN Children's Hospital (the "Company") and their eligible dependents as described in the summary plan description(s) for the Plan. The Plan creates, receives, uses, maintains, and discloses health information about participating employees and dependents in the course of providing these health benefits. The Plan is required by law to provide notice to participants of the Plan's duties and privacy practices with respect to covered individuals' protected health information, and has done so by providing to Plan participants a Notice of Privacy Practices, which describes the ways that the Plan uses and discloses protected health information. To receive a copy of the Plan's Notice of Privacy Practices you should contact the Manager of Compensation, Benefits and HRIS, who has been designated as the Plan's contact person for all issues regarding the Plan's privacy practices and covered individuals' privacy rights. You can reach this contact person at: 2018 Clinch Avenue, Knoxville, TN 37916.

Women's Health and Cancer Rights Act Notices

If you have had or are going to have a mastectomy, you may be entitled to certain benefits under the Women's Health and Cancer Rights Act of 1998 (WHCRA). For individuals receiving mastectomy-related benefits, coverage will be provided in a manner determined in consultation with the attending physician and the patient, for:

- All stages of reconstruction of the breast on which the mastectomy was performed;
- Surgery and reconstruction of the other breast to produce a symmetrical appearance;
- Prostheses; and
- Treatment of physical complications of the mastectomy, including lymphedema.

These benefits will be provided subject to the same deductibles and coinsurance applicable to other medical and surgical benefits provided under this plan. Therefore, the following deductibles and coinsurance apply: \$400 copay then 10% coinsurance (Traditional Plan) or 80% after deductible (Rewards Plan).

If you would like more information on WHCRA benefits, call your plan administrator at 865-541-8000.

Michelle's Law Notice

The East TN Children's Hospital Health and Welfare Plan (the "Plan") currently permits an employee to continue a child's coverage until the child's 26th birthday, regardless of if that child is enrolled at an accredited institution of learning on a full-time basis, with full-time defined by the accredited institution's registration and/or attendance policies. Michelle's Law requires the Plan to allow extended eligibility in some cases for a dependent child who would lose eligibility for Plan coverage due to loss of full-time student status.

There are two definitions that are important for purposes of determining whether the Michelle's Law extension of eligibility applies to a particular child:

- *Dependent child* means a child of a plan participant who is eligible under the terms of a group health benefit plan based on his or her student status and who was enrolled at a post-secondary educational institution immediately before the first day of a medically necessary leave of absence.
- *Medically necessary leave of absence* means a leave of absence or any other change in enrollment:
 - of a dependent child from a post-secondary educational institution that begins while the child is suffering from a serious illness or injury
 - which is medically necessary
 - and which causes the dependent child to lose student status under the terms of the Plan

For the Michelle's Law extension of eligibility to apply, a dependent child's treating physician must provide written certification of medical necessity (i.e., certification that the dependent child suffers from a serious illness or injury that necessitates the leave of absence or other enrollment change that would otherwise cause loss of eligibility).

If a dependent child qualifies for the Michelle's Law extension of eligibility, the Plan will treat the dependent child as eligible for coverage until the earlier of:

- One year after the first day of the leave of absence
- The date that Plan coverage would otherwise terminate (for reasons other than failure to be a full-time student)

A dependent child on a medically necessary leave of absence is entitled to receive the same Plan benefits as other dependent children covered under the Plan. Further, any change to Plan coverage that occurs during the Michelle's Law extension of eligibility will apply to the dependent child to the same extent as it applies to other dependent children covered under the plan.

Newborns' and Mothers' Health Protection Act

Group health plans and health insurance issuers generally may not, under federal law, restrict benefits for any hospital length of stay in connection with childbirth for the mother or newborn child to less than 48 hours following a vaginal delivery, or less than 96 hours following a caesarean section. However, federal law generally does not prohibit the mother's or newborn's attending provider, after consulting with the mother, from discharging the mother or her newborn earlier than 48 hours (or 96 hours as applicable). In any case, plans and issuers may not, under federal law, require that a provider obtain authorization from the plan or the insurance issuer for prescribing a length of stay not in excess of 48 hours (or 96 hours).

Health-Contingent Wellness Program Model Notices Re: Reasonable Alternative Standards*

Reasonable Alternative Standards from Final Regulations

Your health plan is committed to helping you achieve your best health. Rewards for participating in a wellness program are available to all employees. If you think you might be unable to meet a standard for a reward under this wellness program, you might qualify for an opportunity to earn the same reward by different means. Contact us at 865-541-8000 and we will work with you (and, if you wish, with your doctor) to find a wellness program with the same reward that is right for you in light of your health status.

GINA Warning for Wellness Program Materials Requesting Medical Information

In answering these questions, do not include any genetic information. The Genetic Information Nondiscrimination Act of 2008 (GINA) prohibits employers and other entities covered by GINA from requesting or requiring genetic information of an individual or family member of the individual, except as specifically allowed by this law. To comply with this law, we are asking that you not provide any genetic information when responding to this request. "Genetic information" as defined by GINA, includes an individual's family medical history, the results of an individual's or family member's genetic tests, the fact that an individual or an individual's family member sought or received genetic services, and genetic information of a fetus carried by an individual or an individual's family member or an embryo lawfully held by an individual or family member receiving assistive reproductive services. Please do not include any family medical history or any information related to genetic testing, genetic services, genetic counseling or genetic diseases for which an individual may be at risk.

Sample ADA Notice for Employer-Sponsored Wellness Programs

NOTICE REGARDING WELLNESS PROGRAM

East TN Children's Hospital Wellness Program is a voluntary wellness program available to all employees. The program is administered according to federal rules permitting employer-sponsored wellness programs that seek to improve employee health or prevent disease, including the Americans with Disabilities Act of 1990, the Genetic Information Nondiscrimination Act of 2008, and the Health Insurance Portability and Accountability Act, as applicable, among others. If you choose to participate in the wellness program you will be asked to complete a voluntary health risk assessment or "HRA" that asks a series of questions about your health-related activities and behaviors and whether you have or had certain medical conditions (e.g., cancer, diabetes, or heart disease). You will also be asked to complete a biometric screening, which will include a blood test for cholesterol, blood sugar, etc. You are not required to complete the HRA or to participate in the blood test or other medical examinations.

However, employees who choose to participate in the wellness program will receive an incentive of a credit on medical premiums for participation and improvement in health measures. Although you are not required to complete the HRA or participate in the biometric screening, only employees who do so will receive the premium credit.

The information from your HRA and the results from your biometric screening will be used to provide you with information to help you understand your current health and potential risks, and may also be used to offer you services through the wellness program, such as health coaching programs. You also are encouraged to share your results or concerns with your own doctor.

Protections from Disclosure of Medical Information

We are required by law to maintain the privacy and security of your personally identifiable health information. Although the wellness program and East TN Children's Hospital may use aggregate information it collects to design a program based on identified health risks in the workplace, East TN Children's Hospital Wellness Program will never disclose any of your personal information either publicly or to the employer, except as necessary to respond to a request from you for a reasonable accommodation needed to participate in the wellness program, or as expressly permitted by law. Medical information that personally identifies you that is provided in connection with the wellness program will not be provided to your supervisors or managers and may never be used to make decisions regarding your employment.

Your health information will not be sold, exchanged, transferred, or otherwise disclosed except to the extent permitted by law to carry out specific activities related to the wellness program, and you will not be asked or required to waive the confidentiality of your health information as a condition of participating in the wellness program or receiving an incentive. Anyone who receives your information for purposes of providing you services as part of the wellness program will abide by the same confidentiality requirements. The only individual(s) who will receive your personally identifiable health information is (are) health coaches in order to provide you with services under the wellness program.

In addition, all medical information obtained through the wellness program will be maintained separate from your personnel records, information stored electronically will be encrypted, and no information you provide as part of the wellness program will be used in making any employment decision. Appropriate precautions will be taken to avoid any data breach, and in the event a data breach occurs involving information you provide in connection with the wellness program, we will notify you immediately.

You may not be discriminated against in employment because of the medical information you provide as part of participating in the wellness program, nor may you be subjected to retaliation if you choose not to participate.

If you have questions or concerns regarding this notice, or about protections against discrimination and retaliation, please contact Allison McGowan at 865-541-8000.

Premium Assistance Under Medicaid and the Children's Health Insurance Program (CHIP)

If you or your children are eligible for Medicaid or CHIP and you're eligible for health coverage from your employer, your state may have a premium assistance program that can help pay for coverage, using funds from their Medicaid or CHIP programs. If you or your children aren't eligible for Medicaid or CHIP, you won't be eligible for these premium assistance programs but you may be able to buy individual insurance coverage through the Health Insurance Marketplace. For more information, visit www.healthcare.gov.

If you or your dependents are already enrolled in Medicaid or CHIP and you live in a State listed below, contact your State Medicaid or CHIP office to find out if premium assistance is available.

If you or your dependents are NOT currently enrolled in Medicaid or CHIP, and you think you or any of your dependents might be eligible for either of these programs, contact your State Medicaid or CHIP office or dial 1-877-KIDS NOW or www.insurekidsnow.gov to find out how to apply. If you qualify, ask your state if it has a program that might help you pay the premiums for an employer-sponsored plan.

If you or your dependents are eligible for premium assistance under Medicaid or CHIP, as well as eligible under your employer plan, your employer must allow you to enroll in your employer plan if you aren't already enrolled. This is called a "special enrollment" opportunity, and you must request coverage within 60 days of being determined eligible for premium assistance. If you have questions about enrolling in your employer plan, contact the Department of Labor at www.askebsa.dol.gov or call 1-866-444-EBSA (3272).

If you live in one of the following states, you may be eligible for assistance paying your employer health plan premiums. The following list of states is current as of July 31, 2016. Contact your State for more information on eligibility.

ALABAMA – Medicaid

Website: <http://myalhipp.com/>
Phone: 1-855-692-5447

ALASKA – Medicaid

The AK Health Insurance Premium Payment Program:
Website: <http://myakhipp.com/>
Phone: 1-866-251-4861
Email: CustomerService@MyAKHIPP.com
Medicaid Eligibility: <http://dhss.alaska.gov/dpa/Pages/medicaid/default.aspx>

ARKANSAS – Medicaid

Website: <http://myarhipp.com/>
Phone: 1-855-MyARHIPP (855-692-7447)

COLORADO – Medicaid

Medicaid Website: <http://www.colorado.gov/hcpf>
Medicaid Customer Contact Center: 1-800-221-3943

FLORIDA – Medicaid

Website: <http://flmedicaidprecovery.com/hipp/>
Phone: 1-877-357-3268

GEORGIA – Medicaid

Website: <http://dch.georgia.gov/medicaid>
- Click on Health Insurance Premium Payment (HIPP)
Phone: 404-656-4507

INDIANA – Medicaid

Healthy Indiana Plan for low-income adults 19-64
Website: <http://www.hip.in.gov>
Phone: 1-877-438-4479
All other Medicaid
Website: <http://www.indianamedicaid.com>
Phone 1-800-403-0864

IOWA – Medicaid

Website: <http://www.dhs.state.ia.us/hipp/>
Phone: 1-888-346-9562

KANSAS – Medicaid

Website: <http://www.kdheks.gov/hcf/>
Phone: 1-785-296-3512

KENTUCKY – Medicaid

Website: <http://chfs.ky.gov/dms/default.htm>
Phone: 1-800-635-2570

LOUISIANA – Medicaid

Website: <http://dhh.louisiana.gov/index.cfm/subhome/1/n/331>
Phone: 1-888-695-2447

MAINE – Medicaid

Website: <http://www.maine.gov/dhhs/ofi/public-assistance/index.html>
Phone: 1-800-442-6003
TTY: Maine relay 711

MASSACHUSETTS – Medicaid and CHIP

Website: <http://www.mass.gov/MassHealth>
Phone: 1-800-462-1120

MINNESOTA – Medicaid

Website: <http://mn.gov/dhs/ma/>
Phone: 1-800-657-3739

MISSOURI - Medicaid

Website: <http://www.dss.mo.gov/mhd/participants/pages/hipp.htm>
Phone: 573-751-2005

MONTANA – Medicaid

Website: <http://dphhs.mt.gov/MontanaHealthcarePrograms/HIPP>
 Phone: 1-800-694-3084

NEBRASKA – Medicaid

Website: http://dhhs.ne.gov/Children_Family_Services/AccessNebraska/Pages/accessnebraska_index.aspx
 Phone: 1-855-632-7633

NEVADA – Medicaid

Medicaid Website: <http://dwss.nv.gov/>
 Medicaid Phone: 1-800-992-0900

NEW HAMPSHIRE – Medicaid

Website: <http://www.dhhs.nh.gov/oii/documents/hippapp.pdf>
 Phone: 603-271-5218

NEW JERSEY – Medicaid and CHIP

Medicaid Website: <http://www.state.nj.us/humanservices/dmahs/clients/medicaid/>
 Medicaid Phone: 609-631-2392
 CHIP Website: <http://www.njfamilycare.org/index.html>
 CHIP Phone: 1-800-701-0710

NEW YORK – Medicaid

Website: http://www.nyhealth.gov/health_care/medicaid/
 Phone: 1-800-541-2831

NORTH CAROLINA – Medicaid

Website: <http://www.ncdhhs.gov/dma>
 Phone: 919-855-4100

NORTH DAKOTA – Medicaid

Website: <http://www.nd.gov/dhs/services/medicalserv/medicaid/>
 Phone: 1-844-854-4825

OKLAHOMA – Medicaid and CHIP

Website: <http://www.insureoklahoma.org>
 Phone: 1-888-365-3742

OREGON – Medicaid and CHIP

Website: <http://healthcare.oregon.gov/Pages/index.aspx>
<http://www.oregonhealthcare.gov/index-es.html>
 Phone: 1-800-699-9075

PENNSYLVANIA – Medicaid

Website: <http://www.dhs.pa.gov/hipp>
 Phone: 1-800-692-7462

RHODE ISLAND – Medicaid

Website: <http://www.eohhs.ri.gov/>
 Phone: 401-462-5300

SOUTH CAROLINA – Medicaid

Website: <http://www.scdhhs.gov>
 Phone: 1-888-549-0820

SOUTH DAKOTA – Medicaid

Website: <http://dss.sd.gov>
 Phone: 1-888-828-0059

TEXAS – Medicaid

Website: <http://gethipptexas.com/>
 Phone: 1-800-440-0493

UTAH – Medicaid and CHIP

Website:
 Medicaid: <http://health.utah.gov/medicaid>
 CHIP: <http://health.utah.gov/chip>
 Phone: 1-877-543-7669

VERMONT – Medicaid

Website: <http://www.greenmountaincare.org/>
 Phone: 1-800-250-8427

VIRGINIA – Medicaid and CHIP

Medicaid Website: http://www.coverva.org/programs_premium_assistance.cfm
 Medicaid Phone: 1-800-432-5924
 CHIP Website: http://www.coverva.org/programs_premium_assistance.cfm
 CHIP Phone: 1-855-242-8282

WASHINGTON – Medicaid

Website: <http://www.hca.wa.gov/free-or-low-cost-health-care/program-administration/premium-payment-program>
 Phone: 1-800-562-3022 ext. 15473

WEST VIRGINIA – Medicaid

Website: <http://www.dhhr.wv.gov/bms/Medicaid%20Expansion/Pages/default.aspx>
 Phone: 1-877-598-5820, HMS Third Party Liability

WISCONSIN – Medicaid and CHIP

Website:
<https://www.dhs.wisconsin.gov/publications/p1/p10095.pdf>
 Phone: 1-800-362-3002

WYOMING – Medicaid

Website: <https://wyequalitycare.acs-inc.com/>
 Phone: 307-777-7531

To see if any other states have added a premium assistance program since July 31, 2016, or for more information on special enrollment rights, contact either:

U.S. Department of Labor, Employee Benefit Security Administration:
www.dol.gov/ebsa
 Phone: 1-866-444-EBSA (3272)

U.S. Department of Health and Human Services Center for Medicare and Medicaid Services:
www.cms.hhs.gov
 Phone: 1-877-2323, Menu Option 4, Ext. 61565

OMB Control Number 1210-0137 (expires 10/31/2016) – A new one has not been released yet.

COBRA Continuation Coverage

The Consolidated Omnibus Budget Reconciliation Act of 1986 (“COBRA”) is a Federal Law that applies to most employers (20 or more employees). COBRA allows you or your tax dependents to continue coverage under a group health plan after a “qualifying event” occurs.

COBRA continuation coverage is a continuation of Plan coverage when coverage would otherwise end because of a life event known as a “qualifying event.” Specific qualifying events are listed later in this notice. COBRA continuation coverage must be offered to each person who is a “qualified beneficiary.” A qualified beneficiary is someone who will lose coverage under the Plan because of a qualifying event. Depending on the type of qualifying event, employees, spouses of employees, and dependent children of employees may be qualified beneficiaries. (Certain newborns, newly-adopted children and alternate recipients under QMCSOs may also be qualified beneficiaries. This is discussed in more detail in separate paragraphs below). Under the Plan, qualified beneficiaries who elect COBRA continuation coverage must pay for COBRA continuation coverage. If you are an employee, you will become a qualified beneficiary if you will lose your coverage under the Plan because either one of the following qualifying events happen: (1) Your hours of employment are reduced, or (2) Your employment ends for any reason other than your gross misconduct. If you are the spouse of an employee, you will become a qualified beneficiary if you will lose your coverage under the Plan because any of the following qualifying events happen: **(1)** Your spouse dies; **(2)** Your spouse’s hours of employment are reduced; **(3)** Your spouse’s employment ends for any reason other than his or her gross misconduct; **(4)** Your spouse becomes enrolled in Medicare (Part A, Part B, or both); or **(5)** you become divorced or legally separated from your spouse. If an employee cancels coverage for his or her spouse in anticipation of a divorce (or legal separation), and a divorce (or legal separation) later occurs, then the divorce (or legal separation) will be considered a qualifying event even though the ex-spouse lost coverage earlier. If the ex-spouse notifies the administrator within 60 days after the divorce (or legal separation) and can establish that the employee cancelled the coverage earlier in anticipation of the divorce (or legal separation), the COBRA coverage may be available for the period after the divorce (or legal separation). Your dependent children will become qualified beneficiaries if they will lose coverage under the Plan because any of the following qualifying events

happen: **(1)** The parent-employee dies; **(2)** The parent-employee’s hours of employment are reduced; **(3)** The parent-employee’s employment ends for any reason other than his or her gross misconduct; **(4)** The parent-employee becomes enrolled in Medicare (Part A, Part B, or both); **(5)** The parents become divorced or legally separated; or **(6)** The child stops being eligible for coverage under the plan as a “dependent child.” The Plan will offer COBRA continuation coverage to qualified beneficiaries only after the Plan Administrator has been timely notified that a qualifying event has occurred. When the qualifying event is the end of employment or reduction of hours of employment, death of the employee, commencement of a proceeding in bankruptcy with respect to the employer, or enrollment of the employee in Medicare (Part A, Part B, or both), the employer must notify the Plan Administrator of the qualifying event within 30 days of any of these events.

Important: For the other qualifying events (divorce or legal separation of the employee and spouse or a dependent child’s losing eligibility for coverage as a dependent child), you must notify the Plan Administrator. The Plan requires you to notify the Plan Administrator in writing within 60 days after the later of the qualifying event or the loss of coverage. If these procedures are not followed or if the notice is not provided in writing to the Plan Administrator during the 60-day notice period, any spouse or dependent child who loses coverage will NOT BE OFFERED THE OPTION TO ELECT CONTINUATION COVERAGE.

Once the Plan Administrator receives timely notice that a qualifying event has occurred, COBRA continuation coverage will be offered to each of the qualified beneficiaries. For each qualified beneficiary who timely elects COBRA continuation coverage, COBRA continuation coverage will begin on the date that Plan coverage would otherwise have been lost. **If you or your spouse or dependent children do not elect continuation coverage within this 60-day election period, YOU WILL LOSE YOUR RIGHT TO ELECT CONTINUATION COVERAGE.**

