



RETIREE BENEFITS
OPEN ENROLLMENT

Effective: 1/1/2009 - 12/31/2009

Employee Benefits Brochure designed and developed by



in conjunction with the City of Huntington Beach, September 2008.

MEA/MEO/NA

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 City of Huntington Beach 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 November to join.

For more information about this notice or your current prescription drug coverage...

Contact City of Huntington Beach, Human Resources Department/Employee Benefits, 2000 Main Street, PO Box 190, Huntington Beach, CA 92648 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 the City of Huntington Beach changes. You also may request a copy.

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).

If you (and/or your dependent) have Medicare or will become eligible for Medicare in the next 12 months, a Federal law gives you more choices about your prescription drug coverage. Please see page 11 for details.

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 whether or not you are required to pay a higher premium (a penalty).

SUMMARY

The information in this brochure is a general outline of the benefits offered under the City of Huntington Beach's benefits program. Specific details and plan limitations are provided in the Evidence of Coverage (EOC), which is based on the official Plan Documents that may include policies, contracts and plan procedures.

The EOC and Plan Documents contain all the specific provisions of the plans. In the event that information in this brochure differs from the Plan Documents, the Plan Documents will prevail.

**Important Notice from City of Huntington Beach 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 City of Huntington Beach 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. City of Huntington Beach has determined that the prescription drug coverage offered by the City of Huntington Beach Medical/Rx 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 November 15th through December 31st. 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 do decide to join a Medicare drug plan and drop your current City of Huntington Beach prescription drug coverage, be aware that you and your dependents may not be able to get this coverage back.

Please contact us for more information about what happens to your coverage if you enroll in a Medicare prescription drug plan.

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RETIREE BENEFITS PROGRAM 1/1/09 THRU 12/31/09

INTRODUCTION

The City of Huntington Beach takes pride in offering a Benefit Program that provides flexibility for the diverse and changing needs of our employees and retirees. The City offers employees and retirees and their family members a full range of benefits including:

- Medical HMO Plans
- Medical PPO Plan
- Medical Medicare Coordination Plan
- Dental HMO Plan
- Dental PPO Plan
- Vision Plan

The Human Resources Department is taking many steps in providing easy access to health and benefit plan information. Please visit the City's internet site: www.surfcity-hb.org/retiree_benefits.

If you have any questions, please do not hesitate to call our Employee Benefits Team:

Barbara Pratt, Personnel Assistant, (714) 375-8456

Jaymie Liu, Human Resources Analyst, (714) 536-5213 or

Brigitte Charles, Principal Human Resources Analyst, (714) 536-5917

Sincerely,

Michele S. Carr

Director of Human Resources

WHAT YOU NEED TO KNOW

Human Resources would like to take this opportunity to give you important information about the benefits being offered by the City of Huntington Beach for the 2009 calendar year. It is important that you use the following information to educate yourself about the open enrollment process, timeline and changes.

What can I do at Open Enrollment?

City of Huntington Beach benefit-eligible retirees can:

- Make changes to Medical, Dental and Vision Plans
- Add or delete dependents
- Switch to a different Medical or Dental plan
- *Note to make changes or to confirm your Elections Summary, you must do so via Benetrac.*
Be sure to verify also that your contact information is correct.

HELPFUL TIPS TO SAVE YOU TIME AND MONEY

Take Advantage of the Mail Order Pharmacy Benefit! Why go to the pharmacy if you don't have to?

With Blue Shield's mail order prescription service, **PrimeMail** you can receive a 90-day supply for 2 co-payments and your prescription is mailed directly to your home. This is highly recommended for prescription drugs that you take on a regular basis. Stop by Human Resources and pick up an envelope to get started. Call the mail service pharmacy at (866) 346-7200 or visit their website at www.blueshieldca.com

Having Surgery this Year?

If you are on the PPO plan, remember to ask your doctor if you are being referred to a Blue Shield In-Network facility. Out of network hospitalizations are only covered at 60% and Blue Shield pays a maximum of \$350 per day (outpatient) or \$600 per day (inpatient). As always, verify that your surgery has been pre-authorized by Blue Shield prior to your surgery.

Prevention is the Best Medicine

- All retirees and family members should be receiving the preventive services recommended for their age and gender.
- Everyone with chronic conditions (hypertension, asthma, diabetes, etc.) needs to follow all recommended care prescribed by your physician.

My Dental Bills are Painful!

Dental bills can add up very quickly. If you are having dental work that will cost you more than \$200 ask the dentist to get pre-authorization prior to the service. The insurance company will notify you if the procedure will be covered, how much *they* will pay, and how much *you* will be responsible to pay.

I Need HELP with My Insurance

Contact the customer service group for the appropriate carrier in the "Retiree Benefits Contact Information" Section.

WOMEN'S HEALTH AND CANCER RIGHTS ACT

The health benefits of most plans must include coverage for the following post-mastectomy services and supplies when provided in a manner determined in consultation between the attending physician and the patient: (1) reconstruction of the breast on which a mastectomy has been performed, (2) surgery and reconstruction of the other breast to produce symmetrical appearance, (3) breast prostheses, and (4) physical complications of all stages of mastectomy, including lymphedemas. Plan participants must be notified, upon enrollment and annually thereafter, of the availability of benefits required due to the WHCRA.

RETIREE BENEFITS CONTACT INFORMATION

Human Resources - Benefits

- Internet: www.surfcity-hb.org/retiree_benefits
- Phone: (714) 375-8456, (714) 536-5213 or (714) 536-5917
- Fax: (714) 374-1743
- Email: bpratt@surfcity-hb.org
jaymie.liu@surfcity-hb.org
bcharles@surfcity-hb.org

Blue Shield

- www.blueshieldca.com
- HMO (Group #H53802)
(800) 424-6521
- PPO (Group #943685)
- Safety PPO (Group #943802)
(800) 200-3242

Kaiser

- www.kaiserpermanente.org
- (Group #227450)
(800) 464-4000

Dental

- www.deltadentalca.org
- Delta Dental/DPO (Group #4729)
(888) 335-8227
- Delta Care USA (Group #1575)
(800) 422-4234

Vision

- www.vsp.com
- (Group #00105162)
(800) 877-7195

What do I have to do if I am NOT making changes?

- This year, the City is holding an Active Open Enrollment. This means everyone must participate; you must confirm which benefit elections you would like effective January 1, 2009 and who you are covering under your benefits under all plans—medical, dental and vision.

I want to make other changes, what do I have to do?

- Submit all changes and/or confirm your Elections Summary via Benetrac, our online enrollment system. You can access the system at www.surfcity-hb.org/retiree_benefits or at the Benetrac website. Benetrac instructions are enclosed in this packet. **All elections and confirmations must be received by Human Resources/Employee Benefits no later than 5:00 p.m. on Friday, October 31, 2008.**
- If you do not have access to the internet, please call us or visit us during one of our on-site open enrollment assistance sessions. See the enclosed calendar for details.

What if I have questions or need assistance?

- Call or e-mail:
Barbara Pratt at (714) 375-8456, bpratt@surfcity-hb.org
Jaymie Liu at (714) 536-5213, jaymie.liu@surfcity-hb.org
Brigitte Charles at (714) 536-5917, bcharles@surfcity-hb.org

Note: Benefits staff will be holding on-site enrollment assistance sessions on various dates. See the enclosed calendar for details.

What if I want to make changes throughout the year?

You can only make changes outside of Open Enrollment if you have a qualifying event.

- To add dependents you have 31 days from the qualifying event to submit the enclosed "Add Dependent" form to Human Resources. The qualifying event would be marriage, birth, adoption, dependent becoming eligible, spouse losing coverage, etc.
- You are required to submit the enclosed "Delete Dependent" form to Human Resources within 60 days of a dependent becoming ineligible such as divorce, overage dependent no longer eligible, etc. **Failure to do so can jeopardize your COBRA rights.**

Due to privacy issues and concerns, we strongly recommend contacting your insurance provider directly with regard to claims, replacement/lost cards, or coverage questions.

WHAT WILL HAPPEN ON JANUARY 1, 2009

What will be the same on January 1, 2009?

- Benefit Carriers for all plans will remain the same.
- The maximum age for dependents (non-students) on the medical, dental and vision plans will remain at age 25.

What will change on January 1, 2009?

- Kaiser HMO (refer to page 4 for details)
 - Office visit copay will increase from \$10 to \$15.
 - Emergency room visit copay will increase from \$50 to \$100.
 - Prescription copays will increase to \$10/generic and \$20/brand for retail and \$20/generic and \$40/brand for mail order.
- Blue Shield HMO (refer to page 4 for details)
 - Office visit copay will increase from \$10 to \$15.
 - Emergency room visit copay will increase from \$25 to \$100.
 - In-patient hospital copay will be \$100 per admit.
 - Prescription copays increased to \$5/generic, \$20/brand, and \$40/non-formulary for retail and \$10/generic, \$40/brand, and \$80/non-formulary for mail order.
- Blue Shield PPO (refer to page 5 for details)
 - Office visit copay will increase from \$15 to \$25.
 - Emergency room visit will change from \$75 copay+20% to \$100 copay+20%.
 - Out-of-network deductible will change to \$750/individual and \$1,500/family. In-network deductible will remain the same as current.
 - Prescription copay will increase to \$10/generic, \$20/brand, \$50/non-formulary for retail and \$20/generic, \$40/brand, \$100/non-formulary for mail order.
 - Maximum benefit for out-of-network, out-patient hospital services will change from \$600/day to \$350/day. Maximum benefit for out-of-network, in-patient hospital services will remain at \$600/day.

- The Vision exam copay will increase from \$10 to \$15 (refer to page 8 for details).
- See enclosed rate sheet for 2009 premiums.

Vision Plan Features



VISION SERVICE PLAN (VSP) VISION		
	IN-NETWORK	OUT-OF-NETWORK
PLAN BENEFITS		
FREQUENCY Examination Frame Lenses Contact Lenses (in lieu of lenses)	Every 12 months Every 12 months Every 12 months Every 12 months	
EXAM (Dilation when necessary)	\$15 Copay *	\$45 Allowance (copay applies)
STANDARD LENSES Single Vision Bifocal Trifocal	\$15 Copay * \$15 Copay * \$15 Copay *	Up to \$45 Allowance Up to \$65 Allowance Up to \$85 Allowance
FRAMES	Up to \$120 Allowance (Plus 20% off any out-of-pocket costs)	Up to \$47 Allowance
LASER VISION CORRECTION (US LASER NETWORK)	Discounts at participating facilities	N/A
CONTACT LENSES: Elective Medically Necessary	Up to \$120 Allowance Up to \$120 Allowance	Up to \$105 Allowance Up to \$105 Allowance

*Vision exam is covered once every 12 months at the \$15 copay. If a member requires lenses and has already paid the \$15 exam copay, then an additional \$15 is not required.

The information in this summary is not intended to take the place of, or change the official Plan Documents or Evidence of Coverage. In the event that the information in this brochure differs from the Plan Document, the Plan Document shall prevail.

Dental Plan Features



PLAN BENEFITS	DELTA DENTAL DENTAL PPO		DELTA DENTAL DENTAL HMO
	IN-NETWORK	OUT-OF-NETWORK	
	PPO DENTISTS	NON-PPO DELTA DENTISTS	NON-DELTA DENTISTS*
	IN-NETWORK ONLY		
ANNUAL MAXIMUM	\$2,000 max. benefit	\$2,000 max. benefit	Unlimited
DEDUCTIBLE Individual/Family	\$25 per person / \$75 per family	\$25 per person / \$75 per family	None
PREVENTIVE Exams X-Rays Cleanings Fluoride Treatment Space Maintainers	85% of PPO dentist's allowed fee (no deductible applies for these services)	85% of Delta dentist's allowed fee	No Charge
BASIC SERVICES Basic Restorative Endodontics Periodontics Sealants Simple Extractions	85% of PPO dentist's allowed fee	85% of Delta dentist's allowed fee	No Charge
MAJOR SERVICES Inlays, Onlays, Crowns Prosthodontics Implants (PPO only)	85% of PPO dentist's allowed fee 60% of PPO dentist's allowed fee 60% of PPO dentist's allowed fee	85% of Delta dentist's allowed fee 60% of Delta dentist's allowed fee 60% of Delta dentist's allowed fee	No Charge No Charge Not Applicable
ORTHODONTIA	60% of PPO dentist's allowed fee (subject to \$3000 lifetime max per person)	60% of Delta dentist's allowed fee (subject to \$3000 lifetime max per person)	\$500 copay + startup for normal 24 month treatment

*Members will be responsible for the difference if non-Delta dentists charge more than Delta's allowed fees.

Medical Plan Features



PLAN BENEFITS	HMO OPTIONS SCHEDULE OF BENEFITS	
	BLUE SHIELD HMO	KAISER HMO
OFFICE VISITS	\$15 Copay \$30 Copay for self-referred specialist consultation	\$15 Copay
PRESCRIPTION DRUG (must use a participating retail pharmacy)	(up to a 30-day supply) \$5 Generic \$20 Brand \$40 Non-Formulary	(30-day supply) \$10 Generic \$20 Brand
PRESCRIPTION DRUG - MAIL ORDER*	(up to a 90-day supply)* \$10 Generic \$40 Brand \$80 Non-Formulary	(100-day supply) \$20 Generic \$40 Brand
EMERGENCY SERVICES	\$100 Copay (waived if admitted)	\$100 Copay (waived if admitted)
DEDUCTIBLE	None	None
LIFETIME MAXIMUM	Unlimited	Unlimited
ROUTINE PHYSICAL EXAMS	\$15 Copay	\$15 Copay
CHIROPRACTIC	Not covered	\$10 Copay (30 visits/calendar year)
VISION EXAM (Refraction)	\$15 Copay	\$15 Copay (\$150 hardware allowance/24 months)
HOSPITAL SERVICES Inpatient	\$100/Admit	No charge
Outpatient	No charge	\$15 per procedure
OUTPATIENT LAB & X-RAY	No charge	No charge
SUBSTANCE ABUSE PROGRAM Inpatient	\$100/Admit (detox only)	No charge (detox only)
Outpatient	\$15 Copay (30 visits/calendar year combined with mental health)	\$15 Copay individual / \$5 group
MENTAL HEALTH Inpatient	No charge	No charge (30 days/calendar year)
Outpatient	\$15 Copay (30 visits/calendar year combined with substance abuse)	\$15 Copay individual / \$5 group (20 visits/calendar year)

*For Blue Shield PrimeMail information, visit www.blueshieldca.com.

Medical Plan Features



BLUE SHIELD PPO PLAN		
	IN-NETWORK	OUT-OF-NETWORK
PLAN BENEFITS		
OFFICE VISITS	\$25 Copay	40%
PRESCRIPTION DRUG (up to a 30-day supply)	\$10 Generic \$20 Brand \$50 Non-Formulary	25% of allowable amount plus: \$10 Generic \$20 Brand \$50 Non-Formulary
PRESCRIPTION DRUG - MAIL ORDER (up to a 90-day supply)*	\$20 Generic \$40 Brand \$100 Non-Formulary	Not covered
EMERGENCY SERVICES	20% (\$100 deductible waived if admitted)	
DEDUCTIBLE		
Individual	\$500	\$750
Family	\$1,000	\$1,500
MAXIMUM OUT-OF-POCKET		
Individual	\$3,000	\$10,000
Family	\$6,000	\$20,000
PLAN LIFETIME MAXIMUM	Unlimited	
DURABLE MEDICAL EQUIPMENT	20%	40%
	Up to \$2,000/person/year max	
CHIROPRACTIC	20%	40%
	(15 visits per year)	
HOSPITAL SERVICES		
Inpatient	20%	40% (Max \$600/day)
Outpatient	20%	40% (Max \$350/day)
OUTPATIENT LAB & X-RAY	\$25/visit	40%
SUBSTANCE ABUSE PROGRAM		
Inpatient	20%	40% (Max \$600/day)
Outpatient (30 visits per calendar year combined with outpatient non-severe mental health)	\$25/visit	40%
MENTAL HEALTH		
Inpatient	20%	40% (Max \$600/day)
Outpatient (Non-severe max of 30 visits per calendar year combined with outpatient substance abuse)	\$25/visit	40%

*For Blue Shield PrimeMail information, visit www.blueshieldca.com.

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Medical Plan Feature



BLUE SHIELD MEDICARE COB PLAN		
	PPO IN-NETWORK	NON-PPO OUT-OF-NETWORK
PLAN BENEFITS		
OFFICE VISITS	No Charge	40%
PRESCRIPTION DRUG (30-day supply)	\$5 Generic \$15 Brand \$45 Non-Formulary	25% of allowable amount plus: \$5 Generic \$15 Brand \$45 Non-Formulary
PRESCRIPTION DRUG - MAIL ORDER (90-day supply)*	\$10 Generic \$25 Brand \$90 Non-Formulary	Not Covered
EMERGENCY SERVICES	No Charge	
DEDUCTIBLE		
Individual	N/A	\$500
Family		\$1,000
MAXIMUM OUT-OF-POCKET		
Individual	\$2,000	\$10,000
Family	\$4,000	\$20,000
PLAN LIFETIME MAXIMUM	Unlimited	
DURABLE MEDICAL EQUIPMENT	No Charge	40% (Orthoses Only-up to \$2000 per person per yr.)
CHIROPRACTIC & ACCUPUNCTURE (Up to 20 visits, combined, per calendar year)	No Charge	40%
HOSPITAL SERVICES		
Inpatient	No Charge	40% (Max \$600/day)
Outpatient	No Charge	40% (Max \$350/day)
OUTPATIENT LAB & X-RAY	No Charge	40%
SUBSTANCE ABUSE PROGRAM		
Inpatient (For medical acute detoxification)	No Charge	40% (Max \$600/day)
Outpatient (30 visits per calendar year combined with outpatient non-severe mental health)	No Charge	40%
MENTAL HEALTH		
Inpatient	No Charge	40% (Max \$600/day)
Outpatient (30 visits per calendar year combined with outpatient substance abuse)	No Charge	40%

*For Blue Shield PrimeMail information, visit www.blueshieldca.com.