

Surf City...

...Catch the Wave



TO BETTER HEALTH
Your Benefits 2009

MEA/MEO/NA

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 15 for details.

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.

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EMPLOYEE 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. The City offers employees and their family members a full range of benefits including:

- Medical HMO Plans
- Medical PPO Plan
- Dental HMO Plan
- Dental PPO Plan
- Vision Plan
- Basic Life and AD&D Plan
- Long-Term Disability Plan
- Supplemental Life and AD&D Plan
- Flexible Spending Account (FSA)
- Employee Assistance Plan (EAP)

This year's Open Enrollment period is focused on educating employees on the best options to meet their needs while promoting health and wellness. On September 30th from 11:00 a.m. to 3:00 p.m., the City will be hosting the annual Health Fair. We encourage your attendance in order to meet with benefit plan representatives and participate in complimentary health screenings. In addition, the City will be hosting an Open Enrollment informational meeting on Tuesday, October 14 from 9:00 a.m. to 12:00 p.m. at the Central Library Theatre.

The Human Resources Department has taken many steps in providing easy access to health and benefit plan information. Please visit the City's intranet site, SurfNet, to view the Employee Benefits link in the Human Resources section. Here you will find access to plan information, forms, contact information and more. Human Resources will continue to update SurfNet with employee benefit information, so check back often!

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 this year's Open Enrollment?

City of Huntington Beach benefit-eligible employees can:

- Enroll/make changes to **Medical, Dental, Vision, Voluntary Life (with evidence of insurability) and Accidental Death & Dismemberment (AD&D) Plans**
- Add or delete dependents in the City's Medical, Dental, Vision, Voluntary Life and AD&D plans
- Switch to a different Medical or Dental plan
- Participate in and determine the amount for flexible spending accounts
- Change your life insurance beneficiary

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. Even if you are not making any changes, you MUST confirm and provide a signed copy of your Benetrac Elections Summary to Human Resources/Employee Benefits by 5:00 p.m. on Friday, October 31, 2008.

How do I participate in Open Enrollment?

- Submit all changes and/or confirm your Elections Summary via Benetrac, our online enrollment system. You can access the system through SurfNet or at www.surfcity-hb.org/employee_benefits. Benetrac instructions are available online on SurfNet. **All elections must be received by Human Resources/Employee Benefits no later than 5:00 p.m. on Friday, October 31, 2008.**

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. Check SurfNet for the calendar and 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 an "Add Dependent" form to Human Resources. The Qualifying Event could be marriage, birth, adoption, a dependent becoming eligible, spouse losing coverage, etc.
- You are required to submit a "Delete Dependent" form to Human Resources within 60 days of a dependent becoming ineligible such as divorce, an overage dependent no longer eligible, etc. **Failure to do so can jeopardize your COBRA rights.**
- The above-mentioned forms are available on SurfNet/Human Resources/Employee Benefits and on the Lower Level of City Hall on the Employee Benefits Information Wall Display.

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 7 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 7 for details*)
 - Office visit copay will increase from \$10 to \$15.
 - Emergency Room visit copay will increase from \$25 to \$100.
 - Inpatient 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 8 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 10 for details).
- Employee and Employer contributions will change.
- Rate sheets will be distributed to employees with paychecks and posted on SurfNet/Human Resources/Employee Benefits/2009 Health Premiums and Contributions.

ELIGIBILITY

You are eligible for the *City of Huntington Beach's Medical Program* if you are a permanent employee working 20 or more hours per week. Your effective date is the first day of the month following your date of hire.

After your initial benefit enrollment, unless you qualify for a "special enrollment," you cannot make changes in your elections or terminate coverage until the next Open Enrollment period. Please refer to the "Special Enrollment Rights" section below for special enrollment qualifications. To terminate coverage, you must contact Human Resources/Employee Benefits.

Dependent Eligibility

The definition of dependent includes your spouse, registered domestic partner, and unmarried children under 25 years of age and who are dependent upon you for more than one-half of his or her financial support. Unmarried children include stepchildren, registered domestic partner's children, and children placed under a "qualified medical child support order," adopted children or children placed for adoption. Your dependent's effective date is on the latest of 1) your effective date, or 2) the first of the month following the date you acquire your dependent.

Adding and Excluding Dependents

Newly acquired dependents may be added to the plan during the year by completing the necessary forms within 31 days of their eligibility. If you do not add dependents within the 31-day period and do not qualify for a "special enrollment" (see below), they will not be eligible to enroll until the next Open Enrollment period.

Special Enrollment Rights

Other than during the annual Open Enrollment period, you may not change your coverage unless you qualify for a "special enrollment." In addition, if you are declining enrollment for you or your dependents (including your spouse) because of other group medical coverage, you may in the future be able to enroll yourself or your dependents in this plan, provided that you qualify for a "special enrollment." The request for enrollment must be made within 30 days of your other coverage termination and include supporting documentation. The following are events that qualify for "special enrollment:"

- Marriage, legal separation, divorce, or death
- Birth, adoption, or placement for adoption of a child
- Retirement or termination of employment
- Spouse's/partner's termination of employment or new employment
- Change in employment from full-time to part-time or vice versa for you or your spouse/partner
- Change in medical coverage by spouse's/partner's employer

MEDICAL PROGRAM BENEFITS

The *City of Huntington Beach's* goal is to provide you with affordable, quality health care benefits. Our medical benefits are designed to help maintain wellness and protect you and your family from major financial hardship in the event of illness or injury. The City of Huntington Beach offers a choice of medical plans through **Blue Shield** and **Kaiser Permanente**.

HMO (Health Maintenance Organization) - The HMO plans offer comprehensive coverage. Care is provided or coordinated through each member's Primary Care Physician (PCP). **You have a choice between the Blue Shield HMO plan and the Kaiser plan.**

PPO (Preferred Provider Organization) - The PPO plan is designed to provide choice, two levels of service, flexibility and value. Participants have a choice of using Preferred Providers (PPO) or going directly to any other physician (non-PPO provider) without a referral. Generally, there are annual deductibles to meet before benefits apply. You are also responsible for a certain percentage of the charges (co-insurance), and the plan pays the balance up to the agreed upon amount.

Medical Opt-Out Benefit - Employees who are covered by another group medical program outside of a city sponsored plan or covered as a dependent under a spouse's or registered domestic partner's plan through the City and elect to opt out of medical coverage will receive a cash benefit. See the SurfNet for the 2009 rate sheets. **Note: This benefit is included as taxable income.** Proof of outside coverage is required and must be on file in the Human Resources Office.

Medical Plan Features



		HMO OPTIONS SCHEDULE OF BENEFITS	
		BLUE SHIELD HMO	KAISER HMO
PLAN BENEFITS			
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.

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.

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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Dental Plan Features



	DELTA DENTAL DENTAL PPO		DELTA DENTAL DENTAL HMO
	IN-NETWORK	OUT-OF-NETWORK	
	PPO DENTISTS	NON-PPO DELTA DENTISTS	NON-DELTA DENTISTS*
PLAN BENEFITS			
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	85% of PPO dentist's allowed fee	85% of Delta dentist's allowed fee	No Charge
Prosthodontics	60% of PPO dentist's allowed fee	60% of Delta dentist's allowed fee	No Charge
Implants (PPO only)	60% of PPO dentist's allowed fee	60% of Delta dentist's allowed fee	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.

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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 (<i>Dilation when necessary</i>)		\$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.

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BASIC LONG-TERM DISABILITY (LTD)

When non-work related illness or injury make it impossible for you to work for an extended period of time, eligible employees' income may be continued under the City of Huntington Beach's **Basic LTD plan**. The City of Huntington Beach pays the entire cost of coverage. Under the plan, if you are disabled for more than 30 days, you could receive a benefit of 66 2/3% of your basic monthly pay (up to \$12,500 per month) until you are able to return to work.

BASIC LIFE AND AD&D

Life insurance provides protection for your beneficiary in the event of your death. All full-time employees automatically receive *Basic Life and Accidental Death & Dismemberment (AD&D) Insurance* coverage. The benefit amount is \$50,000.

SUPPLEMENTAL LIFE AND AD&D

The Voluntary (employee paid) Life coverage through Reliance Standard allows employees the option to purchase from \$10,000 to \$500,000 in \$10,000 increments. This coverage is also available to spouses and may be purchased even if the employee does not enroll. There is also coverage available for dependent children; however, the employee must also be enrolled for supplemental coverage. New enrollees and anyone increasing their current benefit must submit Evidence of Insurability and be approved by underwriting before the policy goes into effect.

The Voluntary (employee paid) AD&D coverage allows members the option to purchase \$25,000 or \$50,000 or \$100,000. There is also coverage available for spouses and dependent children, as a percentage of the employee's principal amount.

Please see the enrollment packet and summary sheet for more information. This information is available online on SurfNet.

FLEXIBLE SPENDING ACCOUNT (FSA)

The Flexible Spending Account (FSA) lets you pay some of your health care and dependent care expenses and reduce your taxable income at the same time. You can set up one FSA for health care expenses and another to pay for the cost of caring for your dependents while you are at work. The FSA allows you to use pre-tax dollars to pay for eligible expenses that are not reimbursed by another medical, dental and/or vision plan or tax credit. Such expenses include medical and dental deductibles, coinsurance, copayments, prescription glasses, contact lenses, LASIK eye surgery, over-the-counter medications and child/elder care expenses.

When you set up an FSA, you place money in your account through automatic, pre-tax payroll deductions. Then, as you incur eligible health care or dependent care expenses, you are reimbursed tax-free from your account. You pay no federal income taxes and no state income taxes on the amount of pre-tax dollars you contribute to an FSA or on the reimbursements you receive.

EMPLOYEE ASSISTANCE PLAN (EAP)

The EAP plan is a service designed to help you manage life's challenges. Everyone needs a helping hand once in a while, and your EAP can provide it. The EAP can refer you to professional counselors and services that can help you resolve emotional, health, family and work issues. The service is available 24 hours a day, 7 days a week.

EMPLOYEE BENEFITS CONTACT INFORMATION

Human Resources – Employee Benefits

- Intranet: http://surfnet/Human_Resources/
- 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
- To verify your benefits, visit:
www.surfcity-hb.org/employee_benefits

Blue Shield (MEA, MEO, HBFA, NA)

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

Kaiser (MEA, MEO, HBFA, NA)

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

CalPERS Medical (POA, PMA, MSOA, FMA)

- www.calpers.ca.gov
- (888) 225-7377 or (888) CAL-PERS
- CalPERS Blue Shield HMO (Group #PH0001)
(800) 334-5847
- CalPERS Blue Shield Net Value (Group #PH0010)
(800) 334-5847
- CalPERS Kaiser HMO (Group #105705-00)
(800) 464-4000
- CalPERS Blue Cross PORAC (Group #13079)
(800) 288-6928
- CalPERS Blue Cross - PERS Choice (Group #CB050A)
(877) 737-7776
- CalPERS Blue Cross - PERS Care (Group #KB050A)
(877) 737-7776
- CalPERS Blue Cross - PERS Select (Group # SB050A)
(877) 737-7776

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

CalPERS Retirement

- www.calpers.ca.gov
- (Group #0097)
(888) 225-7377 or (888) CAL-PERS

PARS Retirement (Part-Time Employees)

- www.parsinfo.org
(800) 540-6369

Reliance Standard Life & Disability

- www.rsli.com
- Life (Group #141678)
- Voluntary Life (Group #180066)
- Voluntary AD&D (Group #203816)
- Disability (Group #115627)
(800) 644-1103

TRI-AD Flexible Spending (FSA)

- www.tri-ad.com
- www.mbicard.com (Flexcard)
(800) 733-7555

MHN-(Employee Assistance Program)

- www.members.mhn.com
- access code: huntingtonbch
(800) 242-6220

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

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 (out-patient) or \$600 per day (in-patient). As always, verify that your surgery has been pre-authorized by Blue Shield prior to your surgery.

Prevention is the Best Medicine

- All employees 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 "Employee 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.

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.

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).

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).

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