# RETIREE BENEFITS

## OPEN ENROLLMENT

## Effective: 1/1/2010 – 12/31/2010

HBFA

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 12 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.

# Table of Contents


INTRODUCTION
A quick look at the City of Huntington Beach benefit plan offerings 1

WHAT YOU NEED TO KNOW
Important information regarding Open Enrollment 2

WHAT WILL HAPPEN ON JANUARY 1, 2010?
What's changing and what's staying the same for 2010 3

MEDICAL PLAN FEATURES
Summary of Benefits for the Medical plans 4

DENTAL PLAN FEATURES
Highlights of the Dental Plan Choices 8

VISION PLAN FEATURES
Highlights of the VSP (Vision Service Plan) 9

RETIREE BENEFITS CONTACT INFORMATION
Contact information and policy numbers for our carriers as well as internal contact information for day-to-day services 10

HELPFUL HINTS TO SAVE YOU TIME AND MONEY
A few suggestions to help stretch your health care dollars 11

MEDICARE PART D
Information regarding Medicare Part D prescription Coverage 12

THE NEWBORNS AND MOTHERS HEALTH PROTECTION ACT
Your rights under this act 13

WOMEN'S HEALTH AND CANCER RIGHTS ACT
Your rights under this act 14

HEALTH INSURANCE PORTABILITY & ACCOUNTABILITY ACT (HIPAA)
Your rights under this act 14

THE CHILDREN'S HEALTH INSURANCE PROGRAM AUTHORIZATION ACT OF 2009
Your rights under this act 15

# RETIREE BENEFITS PROGRAM 1/1/2010 THRU 12/31/2010

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

This year the City will be entering the CSAC EIA-Health program, a joint powers authority (JPA) for Cities, Counties and Special Districts. The founding principle of EIA-Health is to provide a stable and cost effective health insurance option for Public Entities. EIA-Health has created value and long-term rate stability by combining the risks of participating employer groups with similar risk profiles. The City's Blue Shield medical plans will be implemented through CSAC-EIA effective January 1, 2010. Implementation of these plans through CSAC-EIA will allow the City to retain our current level of benefits while gaining the financial stability of a pooled purchasing arrangement (JPA). There will be no plan design changes to the current Blue Shield HMO and PPO plans (aside from the mental health/substance abuse benefits as outlined on page 3). Blue Shield HMO pharmacy benefits will continue through Blue Shield; however, Blue Shield PPO pharmacy benefits will be administered by Medco (see page 3 for more details). Kaiser HMO benefits will remain in-place and will not be a part of the CSAC EIA-Health Program.

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 2010 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.*

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

- This year the City is holding a Passive Open Enrollment. If you are not making any changes, you do not need to take any action as your 2009 benefit elections will automatically carry over to 2010.

### *If I want to make changes to my benefits, what do I have to do?*

- Submit all changes via Benetrac, our online enrollment system. Your benefit elections will be effective January 1, 2010. 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, November 20, 2009.

- 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 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.**

## *WHAT WILL HAPPEN ON JANUARY 1, 2010*

### *What will be the same on January 1, 2010?*

- Benefit Carriers for all plans will remain the same.

- The maximum age for dependents (non-students) will remain at age 25.

### *What will change on January 1, 2010?*

- Blue Shield PPO pharmacy benefits will be administered by Medco. You will receive an ID card from Medco to use for any of your prescription needs. As a reminder, if you wish to continue your mail order prescriptions, you will need to contact Medco at (800) 711-0917 and obtain a new prescription from your physician.

- Blue Shield and Kaiser medical plans will be made compliant with the Mental Health Parity and Addiction Equity Act of 2008. There will no longer be limits to the number of visits for mental health and substance abuse benefits.

- See enclosed rate sheet for 2010 premiums.

# Medical Plan Features

| | HMO OPTIONS<br>SCHEDULE OF BENEFITS | |
|---|---|---|
| | BLUE SHIELD HMO | KAISER HMO |
| **PLAN BENEFITS** | | |
| OFFICE VISITS | $15 Copay<br>$30 Copay for self-referred specialist consultation | $15 Copay |
| PRESCRIPTION DRUG<br>**(must use a participating retail pharmacy)** | (up to a 30-day supply)<br>$5 Generic<br>$20 Brand<br>$40 Non-Formulary | (30-day supply)<br>$10 Generic<br>$20 Brand |
| PRESCRIPTION DRUG - MAIL ORDER* | (up to a 90-day supply)*<br>$10 Generic<br>$40 Brand<br>$80 Non-Formulary | (100-day supply)<br>$20 Generic<br>$40 Brand |
| EMERGENCY SERVICES | $100 Copay<br>(waived if admitted) | $100 Copay<br>(waived if admitted) |
| DEDUCTIBLE | None | None |
| LIFETIME MAXIMUM | Unlimited | Unlimited |
| ROUTINE PHYSICAL EXAMS | $15 Copay | $15 Copay |
| CHIROPRACTIC | Not covered | $10 Copay<br>(30 visits/calendar year) |
| VISION EXAM | No Charge | $15 Copay<br>($150 hardware allowance/24 months) |
| HOSPITAL SERVICES<br>**Inpatient**<br>**Outpatient** | $100/Admit<br>No Charge | No Charge<br>$15 per procedure |
| OUTPATIENT LAB & X-RAY | No Charge | No Charge |
| SUBSTANCE ABUSE PROGRAM<br>**Inpatient**<br>**Outpatient** | $100/Admit (detox only)<br>$15 Copay | No Charge (detox only)<br>$15 Copay individual / $5 group |
| MENTAL HEALTH<br>**Inpatient**<br>**Outpatient** | $100/Admit<br>$15 Copay | No Charge<br>$15 Copay individual / $7 group |

*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 (Medco)*<br>**(up to a 30-day supply)** | $10 Generic<br>$20 Brand<br>$50 Non-Formulary | 25% of allowable amount plus:<br>$10 Generic<br>$20 Brand<br>$50 Non-Formulary |
| PRESCRIPTION DRUG (Medco)*<br>MAIL ORDER<br>**(up to a 90-day supply)** | $20 Generic<br>$40 Brand<br>$100 Non-Formulary | Not covered |
| EMERGENCY SERVICES | 20%<br>($100 deductible waived if admitted) | |
| DEDUCTIBLE<br>**Individual**<br>**Family** | $500<br>$1,000 | $750<br>$1,500 |
| MAXIMUM OUT-OF-POCKET<br>**Individual**<br>**Family** | $3,000<br>$6,000 | $10,000<br>$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<br>**Inpatient**<br>**Outpatient** | 20%<br>20% | 40% (Max $600/day)<br>40% (Max $350/day) |
| OUTPATIENT LAB & X-RAY | $25/visit | 40% |
| SUBSTANCE ABUSE PROGRAM<br>**Inpatient**<br>**Outpatient** | 20%<br>$25/visit | 40% (Max $600/day)<br>40% |
| MENTAL HEALTH<br>**Inpatient**<br>**Outpatient** | 20%<br>$25/visit | 40% (Max $600/day)<br>40% |

*For Medco information, visit www.Medco.com.

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# Medical Plan Features

| | BLUE SHIELD FIRE SAFETY PPO | |
|---|---|---|
| | PPO IN-NETWORK | NON-PPO OUT-OF-NETWORK |
| **PLAN BENEFITS** | | |
| OFFICE VISITS | $20 Copay | 30% |
| PRESCRIPTION DRUG (Medco)* (30-day supply) | $5 Generic<br>$20 Brand<br>$45 Non-Formulary | 25% of allowable amount plus<br>$5 Generic<br>$20 Brand<br>$45 Non-Formulary |
| PRESCRIPTION DRUG (Medco)* MAIL ORDER (90-day supply) | $10 Generic<br>$40 Brand<br>$90 Non-Formulary | Not Covered |
| EMERGENCY SERVICES | 10%<br>($75 deductible waived if admitted) | |
| DEDUCTIBLE<br>Individual<br>Family | N/A | $500<br>$1,000 |
| MAXIMUM OUT-OF-POCKET<br>Individual<br>Family | $2,000<br>$4,000 | $5,000<br>$10,000 |
| PLAN LIFETIME MAXIMUM | $6,000,000 | |
| DURABLE MEDICAL EQUIPMENT (Orthosis up to $2,000/year max) | 10% | 30% |
| CHIROPRACTIC (12 visits/year) | $25/visit | 30% |
| ACCUPUNCTURE (20 visits/year) | $25/visit | $25/visit |
| HOSPITAL SERVICES<br>Inpatient<br>Outpatient | 10%<br>10% | 30% (Max $600/day)<br>30% (Max $350/day) |
| OUTPATIENT LAB & X-RAY | $20/visit | 30% |
| SUBSTANCE ABUSE PROGRAM<br>Inpatient<br>Outpatient | 10%<br>$20/visit | 30% (Max $600/day)<br>30% |
| MENTAL HEALTH<br>Inpatient<br>Outpatient | 10%<br>$20/visit | 30% (Max $600/day)<br>30% |

*For Medco information, visit www.Medco.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 (Medco)* (30-day supply) | $5 Generic<br>$15 Brand<br>$45 Non-Formulary | 25% of allowable amount plus:<br>$5 Generic<br>$15 Brand<br>$45 Non-Formulary |
| PRESCRIPTION DRUG (Medco)* MAIL ORDER (90-day supply) | $10 Generic<br>$25 Brand<br>$90 Non-Formulary | Not Covered |
| EMERGENCY SERVICES | No Charge | |
| DEDUCTIBLE<br>Individual<br>Family | N/A | $500<br>$1,000 |
| MAXIMUM OUT-OF-POCKET<br>Individual<br>Family | $2,000<br>$4,000 | $10,000<br>$20,000 |
| PLAN LIFETIME MAXIMUM | Unlimited | |
| DURABLE MEDICAL EQUIPMENT | No Charge | 40% |
| CHIROPRACTIC & ACCUPUNCTURE (Up to 20 visits, combined, per calendar year) | No Charge | 40% |
| HOSPITAL SERVICES<br>Inpatient<br>Outpatient | No Charge<br>No Charge | 40% (Max $600/day)<br>40% (Max $350/day) |
| OUTPATIENT LAB & X-RAY | No Charge | 40% |
| SUBSTANCE ABUSE PROGRAM<br>Inpatient<br>Outpatient | No Charge<br>No Charge | 40% (Max $600/day)<br>40% |
| MENTAL HEALTH<br>Inpatient<br>Outpatient | No Charge<br>No Charge | 40% (Max $600/day)<br>40% |

*For Medco information, visit www.Medco.com.

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# Dental Plan Features

| | DELTA DENTAL DENTAL PPO | | | DELTA DENTAL DENTAL HMO |
|---|---|---|---|---|
| | IN-NETWORK | OUT-OF-NETWORK | | IN-NETWORK ONLY |
| | PPO DENTISTS | NON-PPO DELTA DENTISTS | NON-DELTA DENTISTS* | |
| **PLAN BENEFITS** | | | | |
| **ANNUAL MAXIMUM** | $2,000 max. benefit | $2,000 max. benefit | | Unlimited |
| **DEDUCTIBLE**<br>Individual/Family | $25 per person / $75 per family | $25 per person / $75 per family | | None |
| **PREVENTIVE**<br>Exams<br>X-Rays<br>Cleanings<br>Fluoride Treatment<br>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**<br>Basic Restorative<br>Endodontics<br>Periodontics<br>Sealants<br>Simple Extractions | 85% of PPO dentist's allowed fee | 85% of Delta dentist's allowed fee | | No Charge |
| **MAJOR SERVICES**<br>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**<br>Examination<br>Frame<br>Lenses<br>Contact Lenses (in lieu of lenses) | Every 12 months<br>Every 12 months<br>Every 12 months<br>Every 12 months | |
| **EXAM** *(Dilation when necessary)* | $15 Copay * | $45 Allowance (copay applies) |
| **STANDARD LENSES**<br>Single Vision<br>Bifocal<br>Trifocal | $15 Copay *<br>$15 Copay *<br>$15 Copay * | Up to $45 Allowance<br>Up to $65 Allowance<br>Up to $85 Allowance |
| **FRAMES** | Up to $120 Allowance<br>(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:**<br>Elective<br>Medically Necessary | Up to $120 Allowance<br>Up to $120 Allowance | Up to $105 Allowance<br>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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# 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/csac
- HMO Medical and Rx (Group #EH1009)
  (800) 642-6155
- PPO Medical (Group #E10055)
  (800) 642-6155
- PPO Rx through Medco Pharmacy (Group #E10055001)
  (800) 711-0917
- Safety PPO Medical (Group #E10056)
  (800) 642-6155
- Safety PPO Rx through Medco Pharmacy
  (Group # E10056001) (800) 711-0917
- Medicare PPO (Group #E10057)
  (800) 642-6155
- Medicare PPO Rx through Medco Pharmacy
  (Group # E10057RM1) (800) 711-0917

## Kaiser

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

## Dental

- www.deltadentalins.com
- 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

Due to privacy issues and concerns, we strongly recommend contacting your insurance provider directly with regard to 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?*

Retirees who are enrolled in a Blue Shield HMO plan will have prescription drug coverage through Blue Shield Pharmacy. Retirees who are enrolled in a Blue Shield PPO plan will have prescription drug coverage through Medco.

If you are taking prescription medications on a regular basis, you may save time and money by using a mail order pharmacy. You may be able to receive a 90-day supply for 2 co-payments and your prescription is mailed directly to your home. Members save on out-of-pocket copay costs and shipping is free for standard postal delivery. Blue Shield HMO members can use Blue Shield's mail service pharmacy, PrimeMail, by calling (866) 346-7200 or visiting their website at www.blueshieldca.com. Blue Shield PPO members can use Medco by Mail by calling (800) 711-0917 or visiting their website at www.medco.com.

### *Having Surgery and/or X-Rays 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 and/or x-ray has been pre-authorized by Blue Shield prior to your surgery and/or x-ray.

### *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 or visit the City's internet site: www.surfcity-hb.org/retiree_benefits.

## 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 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.

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**When Can You Join A Medicare Drug Plan?**

You can join a Medicare drug plan when you first become eligible for Medicare (upon turning age 65, under age 65 with certain disabilities, and individuals with permanent kidney failure) 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 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 will 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 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).

**For More Information About This Notice Or Your Current Prescription Drug Coverage…**
Contact Human Resources at 2000 Main Street, Huntington Beach, CA 92648 or call (714) 375-8456.

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 City of Huntington Beach changes. You also may request a copy of this notice at any time.

## THE NEWBORNS AND MOTHERS 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 cesarean delivery. 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 issuer for prescribing a length of stay not in excess of 48 hours (or 96 hours).

## 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.

## HEALTH INSURANCE PORTABILITY & ACCOUNTABILITY ACT (HIPAA)

The Group Health Plan you are enrolling in (may) impose a pre-existing condition limitation or exclusion on new enrollees for a period of 12 months from the start of your waiting period. For a newly hired employee, the start of your waiting period is typically the day you begin work for this employer. If your plan imposes a waiting period, that time will count toward satisfaction of any pre-existing limitation or exclusion. If you have a break in coverage less than 63 days, your previous coverage period can also be used to reduce this waiting period. A pre-existing condition is defined as a physical or mental condition for which medical advice, diagnosis, care or treatment was recommended or received within the 6-month period ending on the start date of your waiting period.

**Notice of Availability of HIPAA Privacy Notice**

The Federal Health Insurance Portability and Accountability Act of 1996 ("HIPAA") requires that we periodically remind you of your right to receive a copy of City of Huntington Beach's HIPAA Privacy Notice. You can request a copy of the Privacy Notice by contacting Human Resources.

# THE CHILDREN'S HEALTH INSURANCE PROGRAM REAUTHORIZATION ACT (CHIPRA) OF 2009

On February 4th, 2009, President Obama signed into law the Children's Health Insurance Program Reauthorization Act of 2009 (CHIPRA). This law extends and expands the state children's health insurance program (CHIP).

**New Disclosure Requirements**

The law amends the Internal Revenue Code, ERISA and the PHSA to require group health plan administrators to disclose information about plan benefits to States upon request when a plan participant or beneficiary is covered under Medicaid or CHIP. This information is intended to allow States to determine eligibility, the cost-effectiveness of providing premium assistance for the purchase of coverage under the group health plan, and to provide supplemental benefits. The Department of Health and Human Services (HHS) and the Department of Labor (DOL) are to establish a working group and develop a model coverage coordination disclosure form for plan administrators to complete. States may not request the model coverage coordination disclosure form until the first plan year that begins after the date on which the form is first issued.

**New Special Enrollment Requirements**

The law also creates additional special enrollment rights. Group health plans will now be required to permit employees and dependents who are eligible but not enrolled for coverage to enroll upon termination of the employee or dependent's Medicaid or CHIP coverage or if the employee or dependent becomes eligible for a premium assistance subsidy under Medicaid or CHIP. In both instances, the employee must request coverage under the plan within 60 days after the termination or determination of subsidy eligibility. These new special enrollment rights are effective April 1, 2009.

**New Employer Notification Requirement**

There are additional new notification requirements for employers that maintain group health plans in states that provide Medicaid or CHIP assistance in the form of premium assistance subsidies. These employers will be required to provide written notices to their employees, informing them of the potential opportunities for premium assistance in the states in which they reside to help pay for health coverage for employees or dependents. The new law directs HHS to develop national and state-specific model notices by February 4, 2010 to enable employers to comply with the notice requirement. Employers may provide these notices along with other plan materials (for example, eligibility notice, open enrollment materials, or when furnishing the SPD). The notice requirement is effective for plan years beginning after the date on which the model notices are first issued.

**Premium Assistance**

Under CHIPRA, the premium assistance available for employer-sponsored insurance can be paid directly to the employer, or the employer can opt-out of receiving payments directly resulting in the state providing premium assistance directly to employees. The amount of premium assistance available is the incremental premium cost difference between coverage for the employee only and coverage for the employee plus the eligible child/children.

*Please note that the information contained herein is provided to readers for informational purposes only and you may not rely on this information as legal or any other advice. You should consult with your own legal counsel to ensure compliance with applicable law.*

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