

2010

# Capital Health

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Your Guide To Benefits



**capitahealth**

# Your Guide

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## To Benefits

Capital Health is dedicated to providing you with a benefit program that offers choice and flexibility to meet your individual needs. The Capital Health Benefit Program represents a significant part of the total compensation you receive as a valued employee. These benefits offer a level of protection for you and your family in the event of a financial hardship that could result from serious illness, injury or loss of life.

This Guide, along with other materials, provides highlights of Capital Health's benefit programs to help you make those choices that will best suit your and your family's needs. If you have any questions after you have reviewed this Guide, please contact the Human Resources Department.

### Benefits At A Glance

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Capital Health pays the majority of the cost of your benefits program. There are certain benefits for which Capital Health pays the full cost and other benefits that you share in the cost. Capital Health also offers optional benefits for which you pay the full cost if you choose to enroll. When you are first eligible, and then each year during open enrollment, you have the opportunity to enroll in the following benefits:

- Medical (including prescription drug and vision coverage)
- Dental
- Health Care Flexible Spending Account
- Dependent Day Care Flexible Spending Account
- Supplemental Term Life for Yourself and Your Dependents
- Legal Coverage Plan

You also receive a valuable source of security for yourself and your family from benefits automatically provided by Capital Health:

- Basic Term Life Insurance
- Accidental Death & Dismemberment (AD&D) Insurance
- Work/Life and Employee Assistance Program

When you have completed 180 days of service, you may enroll in the following Voluntary Benefits:

- Voluntary Employee, Spouse and Child Whole Life Insurance (full-time and part-time employees)
- Voluntary Accident Insurance (full-time employees only)
- Voluntary Disability Insurance (full-time employees only)
- Critical Illness Insurance (full-time and part-time employees)

When you become eligible for Voluntary Benefits, you may contact the administrator directly to enroll, or wait until the next on-site service visit.

## Eligibility Requirements

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If you are a full-time employee working in a budgeted position of at least 70 hours per pay period or a part-time employee working in a budgeted position of at least 40 hours per pay period, you are eligible to participate in the benefits programs described in this booklet.

Dependents eligible for medical, dental, spouse life and child life coverage include your:

- Legal spouse
- Civil Union spouse
- Unmarried dependent child(ren) under the age of 19
- Unmarried dependent child(ren) of any age who became physically or mentally incapable of self-support before reaching age 19 (or before reaching age 23 if a full-time student).
- Unmarried dependent child(ren) enrolled as a full-time student at an established school or college up to the end of the month in which they reach age 23.

A child includes your natural child(ren), legally adopted child (including a foster child), stepchild or child acquired through legal guardianship.

Proof that your dependents meet the above definition will be required at the time of enrollment in order to be covered. Your dependent elections will be pended until proof is received, up to 31 days after your enrollment eligibility date.

## Enrollment: When Coverage Begins

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### **When You Are First Eligible**

You must enroll through Capital Health's enrollment site at [www.CapitalHealthBenefits.com](http://www.CapitalHealthBenefits.com) by the last day of the month of your eligibility date. Generally, coverage begins on the first day of the month following one continuous month of employment.

If you do not complete your enrollment during this time, you will have to wait until Capital Health's annual open enrollment period, unless you experience a qualifying event.

### **During the Year**

Each year during the annual enrollment period, you may change your elections. Your changes take effect on January 1st of each year.

If you are making changes due to a qualified life event as described on page 3, and you make the change within 30 days of this event your change will, in general, take effect on the date of the event.

## Enrollment

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Your enrollment worksheet is mailed to your home within 31 days of your hire date if you are a newly eligible employee. To enroll for benefits, you need to complete the worksheet and then enroll using our internet enrollment site ([www.capitalhealthbenefits.com](http://www.capitalhealthbenefits.com)). After you enroll, you will receive a confirmation statement. If there are any errors in the statement, please contact the Human Resources Department as soon as possible.

If you do not receive your enrollment worksheet, please be sure to contact the Human Resources Department by the last day of the month of your eligibility date.

# Changing Your Benefit Coverage

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## Qualified Life Events

The benefit elections you make will remain in effect for the plan year and cannot be changed or revoked until the Plan's open enrollment period, or unless you experience a Qualified Life Event as defined by the Internal Revenue Service. These include:

- A change in your legal marital status (such as marriage, legal separation, annulment, divorce or death of a spouse)
- A change in the number of your dependent children for tax purposes (such as birth, adoption or placement for adoption or death of a child)
- Loss of a dependent child's eligibility status (such as marrying or reaching the maximum age limit permitted under the Plan)
- A change in employment for you or your spouse (such as changing from full-time-to part-time or vice-versa, termination of employment)
- A significant change in your residence (such as moving out of a plan's service area)

This is only a partial list that represents the most common events that may permit you to change your coverage elections. [If you have any questions about Qualified Life Events, please contact the Human Resources Department.](#)

Depending upon the Qualified Life Event, you are permitted to make a new benefits election within 30 or 60 days of the occasion by notifying the Benefits office and providing necessary documentation. This new election must be due to and consistent with the change.

## Notice Regarding Special Enrollment Periods

If you decline enrollment under the health plan for yourself or your eligible dependents because of other coverage, you may be able to enroll under the Capital Health Plan if your coverage under the other plan ends. In order to enroll under the Capital Health Plan, you must request enrollment within 30 days after your coverage under the other plan ends and you must provide any requested documentation.

In addition, if you acquire a new dependent due to marriage, birth or adoption (including placement for adoption), you may be able to enroll yourself and your dependents, providing you request enrollment within 30 days of acquiring your dependent and provide proof of dependency.

## When Coverage Ends

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Your coverage as an employee will stop on the last day of the month in which:

- you end your employment or are no longer eligible for coverage under the Plan
- the Plan is terminated
- you elect to revoke your election for coverage
- you neglect to pay required contributions in a timely manner

Coverage for your eligible dependents will stop on the last day of the month in which:

- your medical coverage ends as noted above
- your dependent is no longer eligible under the Plan
- you elect to stop dependent coverage

However, under certain circumstances you may continue medical coverage for yourself and/or your dependents.

## If You or An Eligible Dependent Loses Coverage

Under federal law (COBRA), certain circumstances that cause a loss of coverage allow for benefits to be continued for a limited time. A complete description of COBRA can be found in your Summary Plan Description (SPD).

## Paying For Your Benefits (Section 125)

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The Capital Health Benefit Program operates under IRC Section 125. This means that you pay your benefit contributions on a pre-tax basis. Paying on a pre-tax basis means you reduce your taxable income and have fewer taxes taken out of your paycheck. Unless otherwise noted, all your benefit contributions are taken on a before-tax basis. The actual amount of your contributions depends on the plans you choose to enroll in and whether you are a full-time or part-time employee.

## Medical Benefits

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Capital Health offers you a health plan that provides coverage from routine care to protection for major illness. You may enroll yourself and your eligible dependents. Please refer to the chart on page 5 for more information about this Plan.

### Capital Care Medical Plan

The Capital Care Medical Plan offers you freedom of choice with our Aetna Choice POS II network. The Capital Care Medical Plan provides flexibility with three tiers of coverage from which to choose each time you need medical care.

**1st Tier – Capital Inner Circle Network – The Inner Circle is made up of providers who participate in the Capital network and are also associated with Capital Health.** When you receive care from participating physicians affiliated with Capital Health, you receive the highest level of benefits. You can obtain a listing of the Capital Network Physicians on CHSWorld, or at Capitalhealth.org, click on Benefits Central, or in the benefits racks located near the employee entrances.

**2nd Tier – Aetna In-Network** – When you visit a provider outside the Inner Circle who participates in the Aetna network, you receive the in-network level of benefits. **To find out if your physician is in the Aetna network, visit [www.aetna.com](http://www.aetna.com) or call Aetna at 1-800-962-6842.**

**3rd Tier – Out-of-Network** - If you choose providers who do not participate in the Aetna network, you still receive comprehensive medical coverage, but you will pay more out of your own pocket for covered expenses.

When you enroll in the Plan, you will also have access to value added programs. This includes Aetna's Informed Health Line, discounts at participating vendors for vision services, health club memberships, home exercise equipment, acupuncture, massage therapy, and nutritional supplements. **You can find more information on these programs at [www.aetna.com](http://www.aetna.com).**

### Important Legislative Information

Federal law requires a group health plan to provide coverage for the following services to an individual receiving plan benefits in connection with a mastectomy:

- Reconstruction of the breast on which the mastectomy has been performed
- Surgery and reconstruction of the other breast to produce a symmetrical appearance and
- Prosthesis and physical complications for all stages of a mastectomy, including lymphedemas (swelling associated with the removal of lymph nodes)

The group health plan must determine the manner of coverage in consultation with the attending physician and patient. Coverage for breast reconstruction and related services will be subject to deductibles and coinsurance amounts that are consistent with those that apply to other benefits under the plan.

### Privacy Standards of Your Health Information

Your privacy is very important to us at Capital Health. We comply with the Health Insurance Portability and Accountability Act of 1996 (HIPAA) federal privacy regulations and take all necessary steps in protecting your private health information. We will not release any protected health information to another individual without your written authorization, except as described and permitted by federal and state health information privacy laws. A copy of the privacy notice is included with your Summary Plan Description.

## Capital Care Medical Plan Highlights

Plan Features	Capital Network	Aetna Network	Out-of-Network
<b>Annual Deductible</b>			
Individual	None	None	\$400
Family	None	None	\$800
<b>Physician's Services</b>			
Office Visit - Primary	\$15 copay	\$20 copay	70% after deductible
Office Visit - Specialist	\$20 copay	\$25 copay	70% after deductible
Diagnostic Lab/Xray	90% office	80%	70% after deductible
Maternity	90% with \$20 initial copay	80% with \$25 initial copay	70% after deductible
<b>Hospital Services</b>			
Inpatient	100%	\$400 copay	70% after deductible
Outpatient	100%	80%	70% after deductible
Dignostic Lab/Xray	100%	80%	70% after deductible
Physician	90%	80%	70% after deductible
Emergency Room	100%	\$50 copay (waived if admitted)	\$50 copay (waived if admitted)
<b>Mental Health Services</b>			
Inpatient	100%	\$400 copay	70% after deductible
Outpatient - Office	\$20 copay	\$25 copay	70% after deductible
<b>Vision Care</b>			
Eye Exam (1 per year)	\$20 copay	\$25 copay	70% after deductible
Eyeglasses/Contacts		\$75 reimbursement per year	

This is only intended as a brief summary. Please refer to the Plan's Summary Plan Description for detailed information.

## Value Added Programs

**Get PHit Program:** Capital Health believes that preventive care, exercise and weight management are important steps towards wellness. For this reason, Capital Health covers preventive care benefits at 100% at network providers after a small copayment.

Take advantage of:

- An On-Line Health Risk Assessment at SimpleStepsLife.com (For enrolled medical plan participants only).
- "The PHit Rewards Program," which will reward you with up to \$50 every 6 months for health club, gym or fitness program memberships with proof of regular attendance.
- "The PHit Rewards Program," also rewards you \$3 for every pound lost when you attend 80% of weight loss program meetings over a 15 week period and lose 10 or more pounds.

## Prescription Drug Benefits

When you enroll in the Capital Care Medical Plan, you are automatically enrolled in the prescription drug program at no additional cost. Whether you obtain your prescriptions at the Capital Health Employee Pharmacy, a participating retail pharmacy or through the Mail Order Pharmacy, you will be responsible for paying a specific copayment. You may be able to control your copayments based on the types of medications you select. Your prescription benefits will be provided through Express Scripts.

**When you use an out-of-network retail pharmacy,** you will need to pay for the prescription in full and submit a claim for reimbursement. The cost of your prescription can be significantly more than your network copayment.

### IMPORTANT NOTICE ABOUT YOUR PRESCRIPTION DRUG COVERAGE AND MEDICARE

1. Medicare prescription drug coverage is available 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 for a higher monthly premium.
2. Capital Health has determined that the prescription drug coverage offered by the Capital Care Plan is, on average for all plan participants, expected to pay out as much as standard Medicare prescription drug coverage pays and is considered Creditable Coverage.

Medication	(up to a 34-day supply)		Retail Pharmacy
	Capital Health Employee Pharmacy		
	Level A (w/ a Capital Health medical record)	Level B (w/o a Capital Health medical record)	
Generic	\$2.00	\$4.00	\$10.00
Preferred Brand	\$10.00	\$15.00	\$25.00
Non-Preferred Brand	\$20.00	\$25.00	\$40.00
Specialty Drugs	\$30.00	\$35.00	10% of cost up to maximum copayment of \$120.00

Medication	(up to a 90-day supply)		Mail Order Program
	Capital Health Employee Pharmacy		
	Level A (w/ a CH medical record)	Level B (w/o a CH medical record)	
Generic	\$4.00	\$8.00	\$20.00
Preferred Brand	\$20.00	\$30.00	\$50.00
Non-Preferred Brand	\$40.00	\$50.00	\$80.00

## Prior Authorization and Quantity Limits

Certain drugs and classes of drugs require prior authorization before they can be filled. Other drugs may have quantity limits or may require a letter of medical necessity. To request a preauthorization, you should call the telephone number listed on your identification card.

Maintenance medications must be filled at either the Capital Health Employee Pharmacy or Express Scripts Home Delivery Program. The Plan limits one fill of maintenance medication at a Retail Pharmacy.

## Dental Benefits

Capital Health offers you two dental options with different coverage levels and contributions. You may select an out-of-network provider, but in order to receive the maximum level of coverage from the program, you must use Delta participating dentists.

You can find a listing of participating dentists at Delta's website [www.deltadentalnj.com](http://www.deltadentalnj.com).

- **The Delta Dental PPO Plan** offers you a smaller network of dentists, but also lower out of pocket costs and lower payroll contributions.
- **The Delta Dental Advantage Plus Premier Plan** offers you a larger network of providers and a higher annual maximum benefit than the PPO Plan. Your employee contributions will also be higher than the PPO Plan.

## Summary Of Your Dental Benefits

Feature	PPO Plan	Advantage Plus Premier
<b>Annual Deductible</b>	\$25 individual \$75 family	\$25 individual \$75 family
<b>Preventive &amp; Diagnostic Services</b> (Routine exams, x-rays, cleaning, etc.)	100%	100%
<b>Basic Services</b> (Fillings, periodontics, etc.)	80%	80%
<b>Major Services</b> (Prosthodontics, crowns, etc.)	50%	50%
<b>Orthodontic Services</b>	50%	50%
<b>Annual Maximum</b>	\$1,000 per person	\$1,500 per person
<b>Lifetime Orthodontic Maximum</b>	\$1,250 per person	\$1,250 per person

## Flexible Spending Accounts

Flexible Spending Accounts can provide a valuable benefit because they permit you to pay for your medical, prescription drug, dental, and vision plan out-of-pocket costs as well as dependent day care costs with before-tax dollars. If you enroll in a Flexible Spending Account, your contribution is taken from your pay before deductions for taxes are calculated. Since the amount of your gross income is reduced, your taxes are also reduced.

### Health Care Flexible Spending Account

A health care account can help you fund qualified health-related expenses that are not paid by any health care plan. Any family member you claim on your federal income tax return can incur expenses that are eligible for reimbursement.

You can elect to contribute up to \$2,000 annually to your Health Care Spending Account. If you are hired during the year, the maximum contributions will be prorated for the remaining pay periods in the year.

#### Health Care Expenses

Eligible Expenses	Ineligible Expenses
Medical, dental, prescription drug, and vision copays, deductibles and coinsurance for you and your eligible family members	Healthcare expenses paid through another insurance plan
Any other out-of-pocket expenses for healthcare for you or your family members. For example, expenses that may have annual limits: dental or orthodontic costs; or are not covered by the Plan – such as charges in excess of the R&C limits	Obesity and weight-loss products and programs and other programs (such as hypertension) unless they are specifically recommended by a physician for your health
Contact lenses, eyeglasses, eye refractive surgery	Cosmetic surgery
Chiropractic or acupuncture services	Vacations recommended by your doctor to reduce stress
Some over-the-counter drugs for your personal use (or that of your eligible dependents) used to alleviate or treat personal injuries or sickness	Some over-the-counter items such as dietary supplements, vitamins, and cosmetics

### Automatic Rollover

If you are enrolled in the Capital Care Medical Plan, you can elect to have all your eligible health care expenses not covered by the Plan paid directly from your Health Care Flexible Spending Account without completing a form. If you have other eligible expenses, such as dental expenses, or expenses from a non-Capital Health plan, you will have to file a claim form.

## Dependent Day Care Spending Account

The Dependent Care Spending Account reimburses you for certain day care expenses that make it possible for you (and your spouse, if you're married) to work or attend school full-time. Using this account to fund expenses for care of your eligible family members during the workday can save you money on taxes because dollars are deducted from your pay on a before-tax basis.

You can contribute up to \$5,000 annually if you file an individual tax return. If you file a joint tax return, your maximum contribution is \$2,500 annually. If you are hired during the year, the maximum contribution is prorated for the remaining pay periods in the year.

### Eligible dependents include:

- Children under age 13 or
- Dependents of any age who cannot care for themselves, who depend on you for support and spend at least eight hours a day in your home

Eligible Expenses	Ineligible Expenses
Charges for day care services at home or in a day care center	Baby-sitting during nonworking hours
Housekeeping expenses if a portion of these services is directly related to caring for your eligible dependent	Care by providers who don't have or supply an employer identification number
Summer day camp	Education costs for children in kindergarten or higher
Preschool and after-school care	Convalescent nursing home expenses

IRS Publication 502 (Medical Expenses) and IRS Publication 503 (Dependent Care Expenses) fully describes eligible dependents and expenses for reimbursement from a Health Care or Dependent Day Care Spending Account. [Go to \*\*www.irs.gov\*\*](http://www.irs.gov) or call **1-800-TAX-FORM** to get a copy of the publication.

## Important Things to Consider When Enrolling in an FSA

- **Use It or Lose It:** Keep in mind that any unused amounts in your spending account will be forfeited at the end of the plan year.
- **Timely Claims Filing:** You must file claims for eligible expenses incurred in the plan year (January 1 – December 31) by March 31, following the end of the plan year, or you forfeit any amount remaining in your account(s).
- **No Transfer of Funds Between Accounts:** Contributions to your FSA cannot be transferred between a Health Care and Dependent Care FSA. Neither can you roll your contributions over to the next plan year.
- **You May Only Claim Your Expenses Once:** Most expenses eligible for reimbursement through an FSA may also be eligible as deductions on your income tax return. However, if you use an FSA to pay for these expenses, they may not be claimed as deductions on your tax return.
- **Reenrollment Is Not Automatic:** You must re-enroll for an FSA each plan year.
- **Taxpayer Identification Number:** The IRS requires you to report the taxpayer identification number or Social Security number of the dependent care providers you use.
- **The Dependent Day Care Federal Tax Credit:** You'll need to weigh the advantages of the tax credit against the Dependent Care Spending Account because you're not allowed to apply both tax treatments to the same expenses.

# Group Term Life and Accidental Death & Dismemberment (AD&D) Insurance

## Basic Term Life and AD&D Coverage

Life and AD&D insurance provides you with insurance protection in the event of your death or accidental death & dismemberment. Capital Health provides this coverage at no cost to you.

## Schedule of Benefits

Service	Amount of Benefit
Full-time employee with up to 10 years of service	1x base salary*
Full-time employee with 10 years of service or more	2x base salary*
Part-time employee with up to 10 years of service	\$ 5,000
Part-time employee with 10 years of service or more	\$10,000

\*rounded to next multiple of \$1,000

Note: Your life insurance benefit reduces to 50% when you reach age 70.

Base salary is defined as your pay in effect at the time of your coverage and does not include overtime pay, incentive compensation or any other form of extraordinary compensation.

**Accelerated Death Benefit** – Once the insurance company receives satisfactory proof that you are terminally ill, part of your life insurance may be payable to you while you are still living. You can request up to 50% of your covered insurance amount.

**Continuation Options** – If your employment ends or you are no longer in an eligible class, you may convert all or part of your covered amount to an individual policy offered by the insurance company. If your coverage ends because you are totally disabled you may apply for a Waiver of Premium under the Plan. This would allow you to continue your coverage for a specified time without paying the premium.

**Your Beneficiary** – It is important that you name your beneficiary(ies). Without this information on file, any claim that is payable will be made according the terms under the Plan. It is also important that you update your beneficiary information if you have a life event change such as a marriage or divorce.

**Tax Treatment** – Federal tax law states that, for a group term life insurance plan, the cost for coverage in excess of \$50,000 is considered imputed income and will be reported on your paycheck.

## Supplemental Term Life Insurance

Supplemental Term Life Insurance is open to both full-time and part-time employees. You may not elect spouse or dependent child coverage unless you elect coverage for yourself.

## Schedule of Benefits

<b>For You</b> (Coverage reduces to 50% at age 70)	1x, 2x,3x, or 4x your base salary, up to a maximum of \$1,000,000
<b>For Your Spouse</b> (Coverage terminates at age 70)	You may elect a coverage level of: \$10,000, \$15,000, \$25,000 or \$50,000, up to a maximum of 50% of the coverage you elect for yourself
<b>For Your Dependent Child(ren)</b> up to age 19 (23 if a full-time student)	\$5,000 (one premium covers all eligible dependent children)

## **Evidence of Insurability (Proof of Good Health)**

Depending on the amount of coverage you elect, you may be required to provide Proof of Good Health. If you are required to provide Proof of Good Health you will receive an application from the Human Resources Department. You must complete this application and submit it to the insurance company. The insurance company must approve your application before the coverage that is subject to Proof of Good Health will take effect.

## **Legal Coverage Plan - Hospital Employee Legal Plan**

The H.E.L.P. legal coverage plan provides you and your eligible dependents with access to experienced legal professionals who can assist you with personal legal matters. Unlimited benefits are offered through this program and include matters such as wills, collection issues, real estate matters, tenant disputes, warranty disputes, identity theft, traffic violations and much more. The only time you pay attorney fees is for additional services such as court, real estate closing fees, or pre-existing matters. In such cases, a 25% discount is offered off standard fees. This plan excludes coverage for legal matters against Capital Health.

## **Voluntary Benefits**

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### **Disability Insurance**

The Voluntary Disability Insurance Program is open to all full-time employees who wish to purchase additional disability coverage to complement New Jersey State Disability Benefits Program. You may purchase disability benefits up to \$3,000, depending on your salary. You may elect a coverage period of six months, one year, or two years.

### **Accident Insurance**

The Voluntary Accident Insurance Program is open to all full-time employees. Benefits are paid, in addition to any medical benefits, if you are treated or hospitalized for injuries suffered in a covered accident.

### **Whole Life Insurance**

Full and part-time employees can purchase Family Life Insurance at different coverage levels to meet your financial needs. Guarantee issue up to certain amounts is offered if you enroll when you are first eligible.

### **Critical Illness Insurance**

Provides you with a lump-sum benefit payment upon receipt of a confirmed diagnosis of a covered medical event. Available to full and part-time employees and dependents.

Voluntary benefits are portable. Since these are individual policies, you can take them with you if you leave.

## **Work/Life and Employee Assistance Programs**

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Through Carebridge, Capital Health provides employees and their dependents two valuable programs at no cost: A Work/Life Program and an Employee Assistance Program (EAP).

### **Work/Life**

The Carebridge Work/Life program offers a single place to go for information and help with Child Care Services, College Planning, Adoption Information, Eldercare Services, parenting issues and much more.

### **Employee Assistance Program (EAP)**

The EAP can offer a place to begin when you or a family member has personal or professional problems and needs an objective point of view. The EAP provides three free one-on-one consultations, by phone or in person, with experienced professionals for you and each of your dependents. Referrals are provided if additional help is necessary.

