



City of Duluth 2012 Open Enrollment Guide

For Plan Year
January 1 through December 31, 2012

Deadline for submitting forms:
Monday, December 5, 2011, at 4:30 p.m.

Annual Open Enrollment Period: November 21 - December 5, 2011

- Open Enrollment is your opportunity to change your current health and/or dental benefits election for the upcoming calendar year. If you are satisfied with your current health and dental benefit plan coverage and elections, you do not need to complete an enrollment form.
- *If you wish to participate in the health and/or dependent daycare Flexible Spending Account (FSA) plan in 2012, you must complete the Genesis FSA Enrollment form.*

Two Easy Steps for a Successful Open Enrollment

1. Gather Information

- ▶ **Carefully review the information in this Open Enrollment Guide and your enrollment packet:**
 - Available benefit plan selections and 2012 monthly health and dental plan premiums
- ▶ **Open Enrollment Meetings**
 - For your convenience, vendor representatives and Human Resources staff will be available to assist with Open Enrollment questions. See page 19 for a list of meeting dates, times and locations.
- ▶ **Deferred Compensation Plan Meetings**
 - Representatives will be available to meet with employees and answer questions about the tax advantages of a Deferred Compensation Plan. Enhance your retirement income by participating in a plan today!

Deferred Compensation Plan Meetings			
DC Vendor	Date	Time	Location
Hartford	Monday, November 21 st	11:00 a.m. to 1:00 p.m. 2:00 p.m. to 4:00 p.m.	Fire Department – Training Room City Hall – Room 303
	Tuesday, November 22 nd	11:00 a.m. to 1:00 p.m. 2:00 p.m. to 4:00 p.m.	Public Works & Utilities – Garfield Small Training Room City Hall – Room 317
ICMA	Monday, November 21 st	10:00 a.m. to Noon	Public Works & Utilities – Garfield Training Room
		1:00 p.m. to 3:00 p.m.	Airport
		3:30 p.m. to 5:30 p.m.	Street Maintenance – 40 th Ave. West Toolhouse Lunchroom
	Tuesday, November 22 nd	10:00 a.m. to Noon	City Hall – Room 211A
MNDCP	Monday, November 21 st	7:30 a.m. to 9:30 a.m.	Public Works & Utilities – Garfield Training Room
		10:00 a.m. to 1:00 p.m.	City Hall – Room 106A
		2:00 p.m. to 3:00 p.m.	Airport
3:30 p.m. to 5:00 p.m.		Library	
Nationwide	Monday, November 21 st	7:00 a.m. to 9:00 a.m.	Street Maintenance – 40 th Ave. West Toolhouse Lunchroom
		12:30 p.m. to 2:00 p.m.	Public Works & Utilities – Garfield Training Room
	2:30 p.m. to 5:00 p.m.	City Hall – Room 106A	
Nationwide	Monday, November 21 st	10:00 a.m. to 11:30	Airport
		Noon to 1:15 p.m.	Street Maintenance – 40 th Ave. West Toolhouse Lunchroom
	Tuesday, November 22 nd	9:00 a.m. to 10:00 a.m.	Library – Gold Room
		10:00 a.m. to Noon	City Hall – Room 207
2:00 p.m. to 4:00 p.m.	Public Works & Utilities – Garfield Training Room		

2. Enroll

- ▶ *If you choose to keep your current health and dental coverage, without making any changes, no action is necessary. However, if you wish to elect new coverage, change your dental option, or add/remove dependents from your current coverage, you will need to complete a new enrollment form and submit it to the Human Resources Office no later than **4:30 p.m. on Monday, December 5, 2011.***
- ▶ *If you wish to participate in the health and/or dependent daycare FSA plan in 2012, you must complete the Genesis FSA Enrollment Form and submit it to the Human Resources Office no later than **4:30 p.m. on Monday, December 5, 2011.***

Key Changes for 2012

Health Plan Premium Increase

Health plan premiums are increasing 15%. The City's contribution will continue to cover the Single premium in full. However, employees who elect Family coverage will see an increase of approximately \$35 per month for their share of health care premium costs. Please refer to page 5 for a summary of the 2012 health plan premiums. Dental plan premium rates remain unchanged from last year. In addition, there will be no changes to deductibles, co-insurance or co-pays for the health and dental plans.

Dependent Information

Federal law requires the reporting of Social Security Numbers (SSNs) to the Centers for Medicare & Medicaid Services (CMS) for covered dependents. Please include the SSNs for all dependents that will be covered under your health plan.

Note Regarding Payroll Deductions

Payroll deductions for health and dental premiums, and the **health and dependent daycare FSA plan** will be made over 24 pay periods. For those months in which a third pay period occurs, premium deductions and FSA contributions will not be taken. Payroll deductions for the deferred compensation plan will continue to be taken over 26 pay periods.

Duluth Joint Powers Enterprise (JPE) Trust and Group Plan Sponsor Name Change

The City of Duluth is part of a self-insured pool through the Duluth Joint Powers Enterprise Agreement. One outcome of this Agreement is a change in the plan sponsor's name from the "City of Duluth" to the "Duluth Joint Powers Enterprise Trust." As a result of the pool arrangement, you will be receiving new medical, prescription and dental ID cards. These cards will be mailed directly to your home in December. However, if you have not received your new membership ID card(s) by January 16, 2012, please contact our third-party administrators to request a new ID card:

- | | |
|------------------|----------------|
| • HealthPartners | 1-800-883-2177 |
| • ClearScript | 1-800-546-5677 |
| • Delta Dental | 1-800-553-9536 |

Cafeteria Plan Contributions

For 2012, the City of Duluth will modify the method of making contributions to your deferred compensation and FSA plan in order to keep the plans compliant with applicable Federal and State tax and benefit laws. The City will no longer make "employer contributions" directly to your deferred compensation or FSA plan. Instead, the City will facilitate the same level of monthly contribution through a cafeteria plan arrangement. Effective January 1, 2012, employees will receive employer cafeteria plan contributions, which are the same as under the prior structure, as follows:

- Employees electing "Single" health coverage: \$304* (\$320 for Confidential Unit employees)
- Employees electing "Family" health coverage: \$229 (\$245 for Confidential Unit employees)

*Part-time employees receive a pro-rated contribution

Cafeteria plan contributions will automatically be applied to your share of health care premiums, if any. Remaining dollars will be provided to employees as cash.

How will this change affect my deferred compensation plan contributions?

If you are presently directing the "employer contribution" to a deferred compensation plan(s), these contributions will end on the last paycheck for 2011. You can maintain the same level of contributions to your deferred compensation plan in 2012 by completing a Deferred Compensation Plan Enrollment/Change Form.

Please refer to the flowchart on page 6 for additional information.

Key Changes for 2012 (continued)

FSA is "Going Green"

Genesis Employee Benefits is the City of Duluth's FSA plan third-party administrator. Effective January 1, 2012, the City is implementing the Genesis "Go Green" program. This is a completely paperless FSA program that:

- Provides you with a health FSA debit card* to pay for eligible expenses at the point of purchase,
- Requires you to submit claim forms online, and
- Requires enrollment in direct deposit.

Note: Paper claims may no longer be submitted for health and/or dependent daycare reimbursement requests and reimbursement checks will no longer be issued.

*For items purchased using your OneCard debit card, you must keep copies of all your health care statements and receipts in the event Genesis requests that you submit supporting documentation. Please read further for more information.

If you lose or destroy your FSA debit card, call Genesis Employee Benefits immediately. A \$10 fee will be assessed for a replacement card. If you do not wish to pay the \$10 fee, you may submit reimbursement requests online. Please keep your health FSA debit card in a safe place once you've exhausted your annual limit as the card has a three (3) year expiration date and may be used again if you decide to re-enroll in the health FSA plan. If you need to replace the card for any reason within the three years, a fee will be assessed.

Effective January 1, 2013 – FSA Contribution Reduction

Currently and through the 2012 plan year, the annual maximum you may contribute to your health FSA plan is \$5,000. As part of the Healthcare Reform, beginning January 1, 2013, the annual maximum amount employees may contribute to a health FSA will be \$2,500.

Medical Therapy Management (MTM)

If you meet certain criteria you may choose to participate in this program. The MTM program is designed to help improve your health care and potentially lower your out of pocket prescription costs. Now you may attend appointments with an MTM pharmacist telephonically!

Plan Eligibility Reminder

Eligible Employees

The collective bargaining agreements determine benefit eligibility. Under current collective bargaining agreement language, all City of Duluth regular full-time, part-time (minimum 14 hours per week) and provisional employees are benefit-eligible.

Eligible Dependents

Spouse

- a.) Legally married opposite gender spouse; or
- b.) Legally separated opposite gender spouse.

Dependent Child - birth through age 25 (up to the child's 26th birthday):

- a.) An eligible child can include your unmarried or married biological child, legally adopted child or child placed for the purposes of adoption, foster child, stepchild or any other child state or federal law requires be treated as a dependent. ***In order to qualify as an eligible dependent under the health plan, adult children (ages 19 and older) must not be eligible for other group health coverage.***
- b.) A grandchild you claim as an exemption on your Federal income tax return and who is financially dependent upon you.
- c.) A child of the employee who is required to be covered by reason of a Qualified Medical Child Support Order (QMCSO).

As a Reminder: if you have supplemental dependent life insurance for your child(ren) through Minnesota Life, please check to make sure they meet the following age requirements: Covered children must be under age 19, or 23 if a full-time student.

**2012 Health Plan Premiums
Duluth JPE Trust Comprehensive Medical Benefit Plan 3A**

2012 Single Health Plan Premiums for Basic, Confidential, Fire, LELS, Police, & Supervisory Units		
	<u>Monthly</u>	<u>Per Paycheck*</u>
Total Single Premium	\$546.34	\$273.17
City pays 100% of the "Single" premium	(<u>\$546.34</u>)	(<u>\$273.17</u>)
	\$0	\$0
<i>Cafeteria Plan Contribution available to the employee</i>	\$304.00 ³	\$152.00 ³
<i>³Prorated for part-time employees; Confidential Unit employees receive \$320 monthly and \$160 per paycheck</i>		
2012 Family Health Plan Premiums for Basic, Fire, LELS, Police, & Supervisory Units		
	<u>Monthly</u>	<u>Per Paycheck*</u>
Total Family Premium	\$1,345.75	\$672.88
City pays 80% of the "Family" premium	(<u>\$1,076.60</u>)	(<u>\$538.30</u>)
	\$269.15	\$134.58
<i>Cafeteria Plan Contribution</i>	(<u>\$229.00</u>)	(<u>\$114.50</u>)
<i>Employee responsibility of the "Family" premium</i>	\$40.15	\$20.08
2012 Family Health Plan Premiums for Confidential Unit Only		
	<u>Monthly</u>	<u>Per Paycheck*</u>
Total Family Premium	\$1,345.75	\$672.88
City pays 80% of the "Family" premium	(<u>\$1,076.60</u>)	(<u>\$538.30</u>)
	\$269.15	\$134.58
<i>Cafeteria Plan Contribution</i>	(<u>\$245.00</u>)	(<u>\$122.50</u>)
<i>Employee responsibility of the "Family" premium</i>	\$24.15	\$12.08

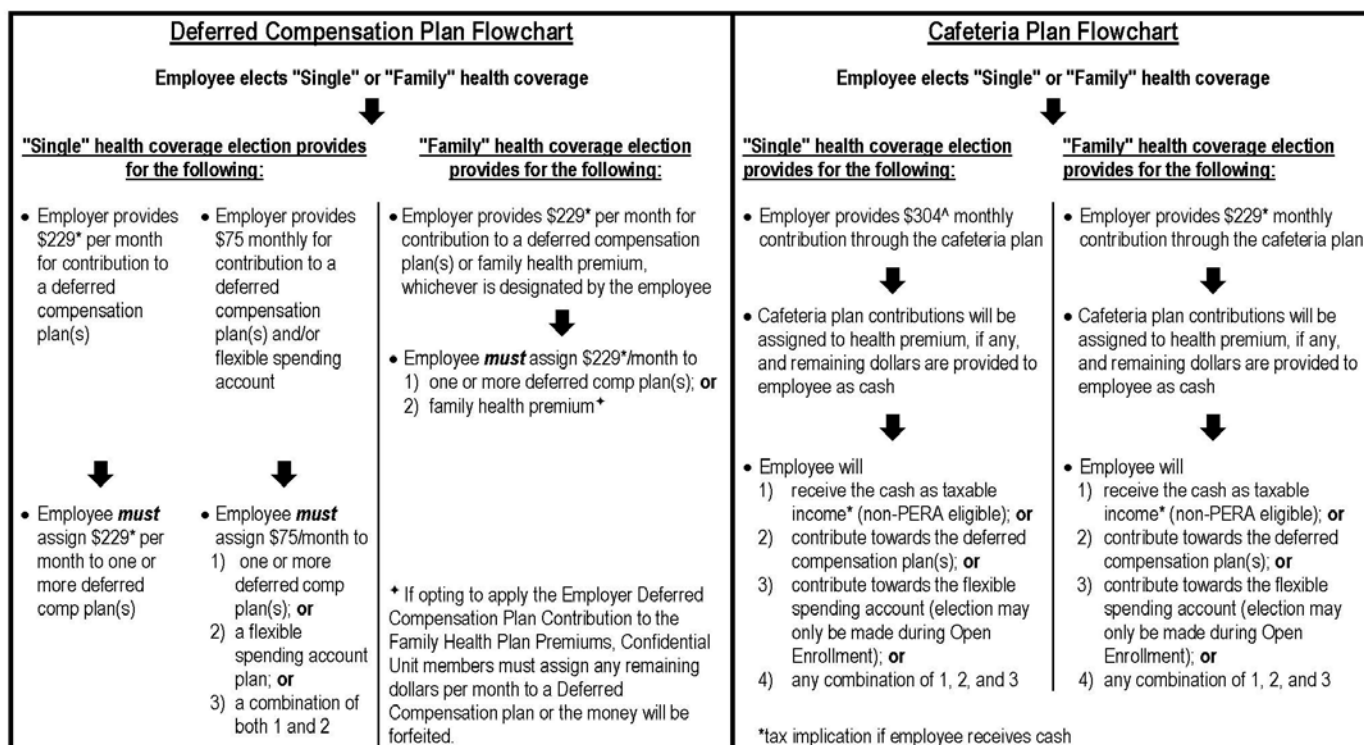
**Per Paycheck amounts for health premiums and cafeteria plan contributions are calculated using 24 pay periods; for months that contain a third paycheck (March and August in 2012), no premium deduction will be withheld from the employee's paycheck.*

Cafeteria Plan Flowchart

The chart below describes how the cafeteria plan arrangement will operate effective January 1, 2012. Please note that cafeteria plan contributions received as "cash" are considered taxable income and will be reported as such. Additionally, cafeteria plan contributions are not PERA-eligible earnings.

Current Through 2011 Employer Contribution Arrangement

2012 Cafeteria Plan Arrangement



*\$245 per month for Confidential Unit employees

^A\$320 per month for Confidential Unit employees

Note: Part-time employee benefits are prorated

If you are currently directing "employer contributions" towards a deferred compensation plan(s), these contributions end on your last paycheck in 2011. Employee deferred compensation plan contributions will continue to be deducted from your pay. It is your responsibility to determine what your 2012 deferred compensation plan paycheck contributions are and whether you need to complete an enrollment/change form to increase your employee contributions. On November 21 and 22, deferred compensation plan representatives will be available to meet with employees to answer questions. Refer to page 2 for meeting times and locations.



Duluth Joint Powers Enterprise Trust
 Comprehensive Hospital-Medical
 Benefit Plan 3A
 Effective January 1, 2012



The following is an overview of your coverage. For exact coverage terms and conditions, consult your plan materials, or call Member Services at (952) 883-5000 or 1-800-883-2177.

Plan Highlights	In-Network	Out-of-Network [±]
Partial listing of covered services	Care from a network provider (Open Access Network)	Care from an out-of-network provider
Deductible and Lifetime / Out-of-Pocket Maximums		
Lifetime Maximum	Unlimited	\$2,000,000
Calendar year deductible	\$250 per person; \$500 per family	
Calendar year medical out-of-pocket max.	\$1,250 per person; \$2,500 per family	
Preventive Health Care		
Routine physical exam*	100%	100%
Routine cancer screening*	100%	100%
Routine eye exam*	100%	100%
Routine hearing exam*	100%	100%
Lab and x-ray services	100%	100%
Immunizations	100%	100%
Prenatal and postnatal care	100%	100%
Well-child care	100%	100%
*One routine physical, cancer screening, eye and hearing exam per calendar year will be covered under preventive health care. Subsequent physicals, cancer screenings, eye and hearing exams will be treated as a physician office visit.		
Physician Office Visits		
Illness or injury (including lab and x-ray services, and outpatient surgery)	80% after deductible	80% after deductible
Allergy-related services	80% after deductible	80% after deductible
Physical, occupational & speech therapy	80% after deductible	80% after deductible
Chiropractic care (neuromusculo-skeletal conditions only)	80% after deductible	80% after deductible
Behavioral Health Care (Inpatient and Outpatient Services)		
Mental health care	80% after deductible	80% after deductible
Chemical dependency health care	80% after deductible	80% after deductible
Convenience Care		
Convenience clinics (e.g., Retail/Minute Clinics)	80%	80%
eVisits	80%	80%
Virtuwell – Online care	80%	80%
Emergency Care		
Urgent Care	80% after deductible	80% after deductible
Emergency care at a hospital Emergency Room	80% after deductible	80% after deductible
Ambulance	80% after deductible	80% after deductible
Hospital Care (Inpatient and Outpatient Services)		
Illness or Injury (including lab and x-ray services, and surgery)	80% after deductible	80% after deductible
Scheduled inpatient and outpatient procedures	80% after deductible	80% after deductible
Outpatient MRI and CT scan	80% after deductible	80% after deductible

Plan Highlights Partial listing of covered services	In-Network Care from a network provider (Open Access Network)	Out-of-Network[±] Care from an out-of-network provider
Durable Medical Equipment		
Durable medical equipment	80% after deductible	80% after deductible
Prosthetics	80% after deductible	80% after deductible
Medical Supplies	80% after deductible	80% after deductible
Outpatient Prescription Drug Benefits administered through ClearScript The following is an overview of your prescription drug benefit coverage. For exact coverage terms and conditions, consult your plan materials, call Customer Service at 1-800-546-5677 or visit clearscript.com .		
Tier One	Generic Drugs	\$0 co-payment
Tier Two	Preferred Brand Name Drugs	\$15 co-payment
Tier Three	Non-Preferred Brand Name Drugs (Specialty Drugs)	30% co-insurance (\$30 min/\$100 max)

[±] Members using out-of-network providers may be responsible for filing their own claims and for any charges that exceed the HealthPartners allowed amount. These amounts are not applied to the out-of-pocket maximum. Additionally, out-of-network providers and facilities may not take care of notification requirements. Please refer to your health plan summary document or contact HealthPartners Member Services for a description of charges that are your responsibility. Additionally, you must call CareCheck® at (952) 883-5800 or 1-800-942-4872 to receive maximum benefits when using out-of-network providers for in-patient hospital stays; same-day surgery; new or experimental or reconstructive outpatient technologies or procedures; durable medical equipment or prosthetics costing more than \$3,000; home health services after your visits exceed 30; and skilled nursing facility stays. HealthPartners will review your proposed treatment plan, determine length of stay, approve additional days when needed and review the quality and appropriateness of the care you receive. **Please note, benefit payments may result in a reduction of the maximum coverage available to you under the Plan if CareCheck® is not notified.**

Notice of grandfathered medical plan

The City of Duluth believes this medical plan is a "grandfathered health plan" under the Patient Protection and Affordable Care Act (the Affordable Care Act). As permitted by the Affordable Care Act, a grandfathered health plan can preserve certain basic health coverage that was already in effect when that law was enacted. Being a grandfathered health plan means that your plan may not include certain consumer protections of the Affordable Care Act that apply to other plans, for example, the requirement for the provision of preventive health services without any cost sharing. However, grandfathered health plans must comply with certain other consumer protections in the Affordable Care Act, for example, the elimination of lifetime limits on benefits. Questions regarding which protections apply and which protections do not apply to a grandfathered health plan and what might cause a plan to change from grandfathered health plan status can be directed to your employer. If you are on a plan subject to ERISA, you may also contact the Employee Benefits Security Administration, U.S. Department of Labor at 1-866-444-3272 or dol.gov/ebsa/healthreform. This website has a table summarizing which protections do and do not apply to grandfathered health plans. You may also contact the U.S. Department of Health and Human Services at healthreform.gov.

Summary of Utilization Management Programs

HealthPartners utilization management programs help ensure effective, accessible and high quality health care. These programs are based on the most up-to-date medical evidence to evaluate appropriate levels of care and establish guidelines for medical practices. Our programs include activities to reduce the underuse, overuse and misuse of health services. These programs include:

- Inpatient concurrent review and care coordination to support timely care and ensure a safe and timely transition from the hospital
- "Best practice" care guidelines for selected kinds of care
- Outpatient case management to provide care coordination
- The CareCheck® program to coordinate out-of-network hospitalizations and certain services.

We require prior approval for a small number of services and procedures. For a complete list, visit healthpartners.com or call Member Services. **You must call CareCheck® at (952) 883-5800 or 1-800-942-4872 to receive maximum benefits when using out-of-network providers for in-patient hospital stays; same-day surgery; new or experimental or reconstructive outpatient technologies or procedures; durable medical equipment or prosthetics costing more than \$3,000; home health services after your visits exceed 30; and skilled nursing facility stays. We will review your proposed treatment plan, determine length of stay, approve additional days when needed and review the quality and appropriateness of the care you receive. Benefits will be reduced by 15 percent if CareCheck® is not notified.**

Our Approach to Protecting Personal Information

HealthPartners complies with federal and state laws regarding the confidentiality of medical records and personal information about our members and former members. Our policies and procedures help ensure that the collection, use and disclosure of information comply with the law. When needed, we get consent or authorization from our members (or an approved member representative when the member is unable to give consent or authorization) for release of personal information. We give members access to their own information consistent with applicable law and standards. Our policies and practices support appropriate and effective use of information, internally and externally, and enable us to serve and improve the health of our members, our patients and the community, while being sensitive to privacy. For a copy of our privacy notice, please visit healthpartners.com or call Member Services at (952) 883-5000 or 1-800-883-2177. Please contact your provider for a copy of the HealthPartners privacy notice.

Services Not Covered

After you enroll, you will receive a Group Membership Contract or Summary Plan Description that explain exact coverage terms and conditions. *This plan does not cover all health care expenses.* In general, services not provided or directed by a licensed physician are not covered. The following is a *summary* of excluded or limited items:

- Treatment, services or procedures which are experimental, investigative or are not medically necessary
- Dental care or oral surgery[†]
- Non-rehabilitative chiropractic services
- Eyeglasses and contact lenses
- Private-duty nursing; rest, respite and custodial care[†]
- Cosmetic surgery[†]
- Vocational rehabilitation; recreational or educational therapy
- Sterilization reversal and artificial conception processes[†]
- Physical, mental or substance-abuse examinations done for, or ordered by third parties[†]

[†] *except as specifically described in your Group Membership Contract or Summary Plan Description.*

**THIS PLAN MAY NOT COVER ALL YOUR HEALTH CARE EXPENSES.
READ YOUR GROUP MEMBERSHIP CONTRACT OR SUMMARY PLAN DESCRIPTION CAREFULLY TO
DETERMINE WHICH EXPENSES ARE COVERED.**

For details about benefits and services, call Member Services at (952) 883-5000 or 1-800-883-2177.

Medication Therapy Management

Making the Best Use of Your Medication

If you want to be more involved in your medication therapy decisions, a program called Medication Therapy Management (MTM) allows you to do just that, **and** it could result in improved health and savings on medication co-pays for you! MTM is set up as a private meeting between you and a specially trained pharmacist. The pharmacist will complete a comprehensive health assessment and reviews all of your medications to be sure they are appropriate, effective and safe. By doing this the MTM pharmacist can identify, resolve, and prevent medication-related problems. **If you are interested in finding out more about the MTM program, please call 1-866-332-3708.**

Eligibility

Medication Therapy Management (MTM) is available to members covered under the Duluth Joint Powers Enterprise Trust's Hospital-Medical Benefit Plan 3A who:

- use four or more program-specified maintenance medications; OR
- have diabetes; OR
- are diagnosed with at least two of the following chronic conditions: high blood pressure, high cholesterol, asthma, chronic pulmonary disease, heart failure, or depression.

Participation

You may participate or continue participating in the MTM program by:

1. Choosing an MTM network provider at one of the following locations
 - Cub Pharmacy, 615 W Central Entrance, Duluth
 - Minneapolis/St. Paul area (for locations, call 612-672-7005 or 1-866-332-3708)

OR
2. Enrolling in the new MTM service, Phone Visits, which enable the same service from the convenience of your home.

You will not be charged for MTM appointments. Participating in MTM *does not affect where you get your medications filled*. You may continue to get your prescriptions filled at any of the 64,000 pharmacies in your benefit plan network. Appointments are available weekdays between 7:00 a.m. and 6:30 p.m. You meet privately with a pharmacist at least every three months or as directed by your pharmacist. During the first appointment, the pharmacist will discuss the following with you:

- Medical conditions and medication treatment (e.g. what you know about your medical condition(s), what medication you're taking – including non-prescribed medications, how you take the medications, side effects, etc.)
- Treatment goals and an action plan to meet those goals
- Nutrition and exercise

Prescription Drug Co-Pay Reduction

Not only will you learn how to manage your health conditions better, but you may also qualify to save money by getting selected medicines at a reduced co-payment(s).

2012 Dental Plan Premiums*

Employees may select either Low or High Option dental benefits. The dental option may be changed each year only during Open Enrollment. Coverage may be changed during the year within 31 days of a qualifying "Family Status Change". Note: employees electing Family or Single + One dental coverage shall maintain such coverage for not less than two (2) consecutive years.

Basic, Fire, LELS, Police, & Supervisory Units – Low Option (\$1,000 Annual Benefit)			
2012 Dental Plan Monthly Premium			
Plan	Premium	City Contribution	Employee Cost
Single	\$ 32.00	\$ 32.00	\$ 0.00
Single + One	\$ 65.00	\$ 32.00	\$ 33.00
Family	\$ 106.00	\$ 32.00	\$ 74.00
Basic, Fire, LELS, Police, & Supervisory Units – High Option (\$2,000 Annual Benefit)			
2012 Dental Plan Monthly Premium			
Plan	Premium	City Contribution	Employee Cost
Single	\$ 73.00	\$ 32.00	\$ 41.00
Single + One	\$ 122.00	\$ 32.00	\$ 90.00
Family	\$ 219.00	\$ 32.00	\$ 187.00
Confidential Unit – Low Option (\$1,500 Annual Benefit)			
2012 Dental Plan Monthly Premium			
Plan	Premium	City Contribution	Employee Cost
Single	\$ 52.00	\$ 52.00	\$ 0.00
Single + One	\$ 105.00	\$ 52.00	\$ 53.00
Family	\$ 156.00	\$ 52.00	\$ 104.00
Confidential Unit – High Option (\$2,000 Annual Benefit)			
2012 Dental Plan Monthly Premium			
Plan	Premium	City Contribution	Employee Cost
Single	\$ 73.00	\$ 52.00	\$ 21.00
Single + One	\$ 122.00	\$ 52.00	\$ 70.00
Family	\$ 219.00	\$ 52.00	\$ 167.00

* The premiums for family coverage outlined above apply to full-time employees. Part-time employee premiums can be obtained by calling the Human Resources Office at (218) 730-5210.

Duluth Joint Powers Enterprise Trust Dental Plan Summary of Benefits Administered through Delta Dental Plan of Minnesota January 1, 2012

You may choose any eligible provider of dental services for the care you need. The Plan may pay higher benefits if you choose a Delta Dental participating provider.

Additional Dental Plan Network Savings!

The maximum fee allowed by the Delta Dental PPO is lower than the maximum fee allowed by Delta Premier or by out-of-network providers. No matter which dental plan option you enroll in, in addition to the Delta Premier network, you now have the Delta Dental PPO network to choose from and receive deeper network savings!

Delta Dental PPO and Delta Premier Providers (In-Network):

When you choose a Delta Dental PPO network provider, you receive the highest level of benefits. If you choose a Delta Premier network provider, you still receive a higher level of benefits as compared to an out-of-network provider. Both Delta Dental PPO and Delta Premier providers will send your claims directly to Delta Dental. For a list of participating providers, call Delta Dental at 1-800-553-9536 or visit their website at www.deltadental.org.

Out-of-Network Providers:

If you decide to utilize an out-of-network provider, you may incur more out-of-pocket expense. Members are responsible for paying any amount charged by out-of-network providers in excess of the "Allowed Amount" that the in-network provider has agreed to accept as full payment for a covered service at the time your claim is processed. Additionally, you are responsible for submitting your own claim and reimbursing your provider directly.

Service & Description	Delta Dental PPO & Delta Premier	Out-of-Network Providers
Diagnostic & Preventive Services (Exams and cleanings, x-rays, fluoride treatments, space maintainers)	100%	100%
Basic Services (Emergency treatment for relief of pain, sealants, amalgam restorations (silver fillings) and composite resin restorations (white fillings) on anterior (front) teeth)	80%	80%
Endodontics (Pulpotomies on primary teeth for dependent children, root canal therapy on permanent teeth)	80%	80%
Periodontics (Surgical/Nonsurgical periodontics)	80%	80%
Oral Surgery (Surgical/nonsurgical extractions, all other oral surgery)	80%	80%
Major Restorative (Crowns and composite resin restorations (white fillings) on posterior (back) teeth)	80%	80%
Prosthetic Repairs and Adjustments (Denture adjustments and repairs, bridge repair)	50%	50%
Prosthetics (Dentures – full and partial, bridges)	50%	50%
Deductible	NONE	NONE
Calendar Year Benefit Plan Maximum Low Option - Basic, Fire, LELS, Police, & Supervisory Units	\$1,000	\$1,000
Calendar Year Benefit Plan Maximum Low Option - Confidential Unit Only	\$1,500	\$1,500
Calendar Year Benefit Plan Maximum High Option - Basic, Confidential, LELS, Fire, Police & Supervisory Units	\$2,000	\$2,000

This is a benefit summary only and does not outline all of your benefits. If there is a discrepancy between information in this summary and the Plan Document, the Plan Document will take precedence in determining your benefits.

Flexible Spending Accounts

Save money on your health care and dependent daycare expenses

The Open Enrollment period is the time to enroll or re-enroll in Flexible Spending Accounts (FSA). An FSA allows you to set aside a certain amount of money **before taxes** to pay for eligible health care and/or dependent daycare out-of-pocket expenses. Because the money is deducted from your wages before taxes, your taxable income is lower, reducing your federal, state, and social security taxes. This translates into **more spendable income** for you!

The annual minimum amount you may contribute to an FSA plan is \$120 (\$5 per paycheck) and the annual maximum is \$5,000 (approximately \$208.33 per paycheck). Genesis Employee Benefits is the City's FSA administrator.

Health Care FSA	Dependent Daycare FSA
A health care FSA enables employees to be reimbursed with pre-tax dollars for eligible medical, dental, vision or hearing expenses.	A dependent daycare FSA enables employees to be reimbursed with pre-tax dollars for daycare expenses of eligible dependents, so employees can continue to work.



FSA Administration is Going Green!

Genesis OneCard Debit Card for Health Care FSA Participants

The City of Duluth is pleased to announce the implementation of an FSA debit card for enrollees in the Health Care FSA beginning in the 2012 plan year. ***This feature allows health care FSA participants to pay for qualifying health care expenses at the point of purchase!*** In other words, you avoid paying for out-of-pocket medical, prescription drug, dental or vision services first, and you eliminate the waiting period for reimbursements to be processed by Genesis. The Genesis OneCard debit card can be used at health care providers, pharmacies and retail locations that have implemented an "Inventory Control System" per IRS regulations.

Important Note: Please keep copies of all supporting documentation (e.g., EOBs, statements, itemized receipts, etc.). Genesis will contact you if and when documentation is required for an expense. Only submit supporting documentation when notified by Genesis.

For security purposes, your OneCard Debit card will be mailed to you in a plain envelope (like other credit/debit cards) in mid-January. If your card is lost or stolen, a \$10.00 fee is charged to reissue the card. Be sure to notify Genesis Employee Benefits of lost or stolen cards. Once your health FSA balance is exhausted, keep your debit card in a safe place as it is good for three (3) years. Your debit card will be reloaded when you re-enroll in the plan.

Online Claim Submissions

Beginning in 2012, FSA participants must complete claim forms online. For each claim, you must indicate the date of service, provider of services and the dollar amount. Supporting documentation (e.g., copies of itemized receipts, statements, etc.) may be uploaded, faxed, emailed or mailed to the claims department. Claims are processed and reimbursed every business day, and typically take 3-5 business days from your date of submittal (if documentation is electronically submitted with your claim) until you receive the direct deposit reimbursement to your bank account.

FSA Administration is Going Green! (continued)



Direct Deposit

If you are a new FSA enrollee or if you are re-enrolling for 2012 and are not set up for direct deposit, you will need to complete and submit a Genesis Direct Deposit form with your FSA enrollment form. FSA reimbursements will only be made through direct deposit.

Email Address Required

Going Green requires all FSA participants to provide an email address. Please be sure to include your email address on your enrollment form.

Special Information Regarding Your Run-Out Period and the OneCard Debit Card

The Genesis OneCard debit card is funded only with the current plan year's election amount. If funds remain in the 2012 account that can be used during the 60 day run-out period (i.e., March 1, 2013), then you must submit claims on-line in order to be reimbursed for the remaining account balance. ***Do not use your debit card during the run-out period for prior year's claims.*** If you re-enroll in the FSA plan for 2013 and you use your debit card during the run-out period (ending March 1, 2013) to pay for 2012 claims, the amount(s) will be deducted from your current plan year's election and will not be applied to the previous year's remaining balance.

We anticipate that use of the OneCard debit card will greatly reduce the incidents of remaining account balances at the end of the plan year, since you will have full access to your annual election amount and will not have to pay out-of-pocket in order for claims to be reimbursed.

Some important factors to consider before making your decision to enroll in FSA:

- Go to the Genesis website, www.genesisbenefits.net for more details about the FSAs. You will find a list of eligible expenses that qualify for reimbursement, and FSA calculators to help you estimate the amount you should contribute and your tax savings.
- You may enroll in the plan only during the Open Enrollment period or when you first become eligible.
- This is a "Use it or Lose it" account so any funds remaining in your account at the end of the "60 Day Run-Out Period" are forfeited.
- Qualified expenses ***must be incurred during your plan year (January 1, 2012 to December 31, 2012).*** Expenses are considered incurred on the date the service is provided, regardless of when it is billed, charged or paid.
- You may not use your OneCard debit card during the 60 day run-out period during the following year (i.e., January 1, 2013 – March 1, 2013) for 2012 qualifying expenses. (As a reminder, the run-out period for the 2011 plan year ends February 29, 2012).
- ***You may only receive reimbursement from the FSA plan for expenses incurred by yourself and by individuals who are considered "dependents" under the Internal Revenue Code even if your dependents are not covered under your health and/or dental plan.***
- As a reminder, your debit card should be kept for the next three years as it will be "reloaded" with your annual election amount if you re-enroll in the plan. If your card is lost or stolen, there is a \$10 replacement fee. Be sure to notify Genesis Employee Benefits of lost or stolen cards. You may avoid this fee by submitting your expenses on-line.

A family status change is a personal event that warrants a review of employee benefits. This checklist explains how your benefits may be affected – and the actions you should take – for the following family status change events:

- Marriage, Divorce, Annulment
- Birth, Adoption or placement for adoption, Gain or Loss of a stepchild or legal ward to your family
- Child's loss of eligibility for coverage
- Death of an eligible family member
- Change in employment status (gain or loss of employment, layoff, or a change that affects health and dental benefit plan eligibility)
- Entitlement to Medicare or Medicaid
- Judgment or decree (i.e., Qualified Medical Child Support Order)

You may wish to go over this information with a Benefits Representative to be sure that you have taken all necessary actions. All changes are subject to Plan Administrator approval. To speak with a Benefits Representative, please call (218) 730-5210.

Need Help?

General information, City of Duluth publications, forms, and detailed plan booklets are available on the City's Human Resources website (www.duluthmn.gov/employment).

Family Status Changes Benefit Checklist

Plan Requirements for Submitting your Enrollment Change Request

If you experience a qualifying family status change event, you can enroll or remove family members from your health and/or dental coverage or make a change to your current Flexible Spending Account election within 31 days from the date of the event. For example, the day you marry, the birth date of your newborn child, etc. Human Resources must receive your benefit election change request within 31 days from the date of the qualifying family status change. If you miss the 31-day window for submitting your enrollment forms, you must wait until the following Open Enrollment period to make a change to your benefit elections.

“Consistency Rule”

For an election change to be permitted, a qualifying event must have occurred and the election change request must be consistent with the event. For example, if you have “single” health and dental coverage and you subsequently get married, you may add your spouse to your health and/or dental coverage within 31 days from the date you marry.

Dependent Eligibility Requirements

Your family members may be covered under your health and welfare benefit plans as long as they meet the eligibility requirements. General eligibility rules and current premium rates may be found on the City of Duluth's Human Resources website or you may contact the Human Resources office directly at (218) 730-5210.

Employee Responsibility for Completing Forms

When a qualifying family status change event occurs, you are responsible for completing the benefit enrollment form(s) to:

1. Add or cancel dependent medical and/or dental coverage,
2. Make changes to your Flexible Spending Account (health and dependent daycare),
3. Make applicable changes to your life insurance coverage and/or beneficiary forms (Term Life, PERA Life, PERA Pension Benefit and retirement savings plan).

Medical, Prescription Drug and Dental Plans

Effective Date of Plan Participation

When you submit an enrollment change form due to a qualifying "Family Status Change", the effective date of plan participation will vary, depending on the event. Changes to the benefit plan coverage will take effect as follows:

- If you are adding an eligible newborn child, the effective date is the date of the birth;
- If you are adding other dependent coverage, coverage will be provided the day your dependent becomes eligible;
- If you are removing a dependent from your coverage, coverage will be provided through the end of the month in which the dependent no longer meets the "eligibility" criteria for the benefit plans.

Supporting documentation – such as a birth certificate, marriage license, or proof of new coverage – may be required to verify a status change.

Flexible Spending Account Plan (Health & Dependent Daycare Reimbursement) Effective Date of Plan Participation

Enrollment changes to the Flexible Spending Account (FSA) plan will be effective the date of the qualifying family status change event. However, if you are enrolling or increasing your FSA election due to a birth, the effective date of participation is the date of the child's birth.

Please note, if you were not previously enrolled in the FSA plan, only services and/or expenses incurred during the time that you are a participant in the plan are eligible for reimbursement.

For example, if you experience a qualifying "Family Status Change" on May 20th, and you were not previously enrolled in the FSA plan, you may submit a change form to enroll in the FSA plan within 31 days of the event (i.e., May 20th). The effective date of your FSA enrollment will be May 20th. Only qualifying services/expenses incurred on May 20th and during your participation in the plan year are eligible for reimbursement; any services/expenses received prior to May 20th are not eligible for reimbursement.

Personal Information

Family changes are often accompanied by other personal changes. This is a good time to confirm that your address, phone number, direct deposit account number, beneficiary designations, and other personal information are recorded correctly with the Human Resources and Payroll offices.

In addition to the qualifying family status changes listed above of this summary, you may be permitted to make a mid-year election change to your Dependent Daycare FSA plan if any of the following events occur:

- Your need for dependent care changes
- Your dependent care provider changes
- The cost of dependent care significantly increases or decreases (and care is not provided by a relative)

Note: Only expenses incurred on or after the date of your qualifying status change are eligible for reimbursement under a new election.

All mid-year election change forms must be submitted to Human Resources within 31 days of the event. All changes are subject to Plan Administrator approval.

Important Phone Numbers

City of Duluth – Human Resources
(218) 730-5210

City of Duluth – Payroll
(218) 730-5440

HealthPartners
1-800-883-2177

ClearScript (Prescriptions)
1-800-546-5677

Delta Dental Plan of MN
1-800-553-9536

Genesis Employee Benefits (Flexible Spending)
1-866-678-8322



Employee Assistance Program (EAP)

WHAT IS IT?

The City of Duluth understands everyone has problems from time to time. Some can be solved alone, while others require help. Sometimes, living in the center of a problem makes it difficult to recognize. Sometimes, it can be seen but it seems there is no help, no way out of it.

That's where your Employee Assistance Program comes in. Midwest EAP provides you with the right kind of help to solve your personal problems. The EAP is a counseling service for employees and their families who need help with personal problems.

See below for ***just a few*** of the issues EAP can help you with. Simply call for an appointment to meet with a counselor to discuss any of the problems listed below and possibly others that aren't listed.

- Marriage
- Family
- Alcohol
- Drugs
- Weight control
- Depression
- Tension
- Interpersonal relations
- Gambling
- Stress
- Finances
- Job

HOW DOES IT WORK?

If you are dealing with an obstacle or a challenging life event, calling EAP can be your first step in a new direction. If you have questions about the services or if you need to talk with an EAP Counselor, call 1-800-383-1908. Additionally, online services are available at www.midwesteap.com (username: cityofduluth; password: member)

Appointments will be scheduled at your convenience. In a private interview, the EAP counselor will help you determine the nature of your problem, and help you map out a personal program for solving it.

On occasion, supervisors may recommend that an employee seek help through EAP. This is not a cop-out; it's a question of good judgment and good management. Look at it this way - any time you need a specialist (computer, painter, plumber) you get one. Aren't people worth the same care? Helping a troubled employee also calls for a specialist.

IT'S CONFIDENTIAL

EAP offers constructive, positive help for all employees. Whether you are referred by your boss or seek help on your own, ***confidentiality will be maintained***. Specific details or definition of an employee problem is confidential. Only with an employee's signed consent will any information between the counselor and employee be released.

Your employer will not be informed that you are seeking help unless you request it. Your visits to the EAP counselor will not be entered in your record file. The program is totally confidential. If your problems are interfering with your job performance, your employer may recommend the service to you. In either event, your employer is concerned about you and encourages your use of the program when needed.

WHY WAIT?

The longer you wait before help is sought, the more serious the problem becomes. Often a problem can be "nipped in the bud" by seeking help as soon as it begins to affect your sense of well-being, at home or on the job.

Asking for help isn't always easy - until you do it. When that important step is taken, you immediately begin living in the solution instead of living in the problem. Help is available; your company is providing it for you.

IF YOU WAIT...

If you wait too long, your problem becomes a problem to other people - to your family, to your co-workers.

Your supervisors may spot a progressing problem by observing a pattern of poor job performance and may refer you to the Employee Assistance Program.

Sometimes, the person with the problem is the last to know, and this presents the greatest obstacle to getting help.

Contact Information

	Phone No.	Website
<p>HealthPartners* Customer service representatives are available to answer general and individual specific questions regarding:</p> <ul style="list-style-type: none"> - health plan benefits (e.g., general information regarding plan deductible, coinsurance, annual out-of-pocket maximums, lifetime maximums, allowable services, general exclusions, etc.) - claims (e.g., for an explanation of deductibles or out-of-pocket expenses incurred, claims filing or payment, etc.) - benefit coordination (e.g., Medicare or other group insurance, subrogation, etc.) - network providers (e.g., identifying in-network vs. out-of-network providers/clinics/hospitals or chiropractors) 	<p>1-800-883-2177 (952) 883-5000</p>	<p>www.healthpartners.com</p>
<p>ClearScript* Customer service representatives are available to answer general and individual specific questions regarding:</p> <ul style="list-style-type: none"> - prescription drug plan benefits (e.g., general information regarding plan co-payments and/or coinsurance, preferred drug list, specialty drugs, Medication Therapy Management program (MTM), general exclusions, etc.) - claims (e.g., for an explanation of charges, claims filing or payment, etc.), - benefit coordination (e.g., other group insurance) - network providers (e.g., participating pharmacies) 	<p>Customer Service 1-800-546-5677 MTM Phone # 1-866-332-3708</p>	<p>www.clearscript.org</p>
<p>Delta Dental Plan of Minnesota* Customer service representatives are available to answer general and individual specific questions regarding:</p> <ul style="list-style-type: none"> - dental plan benefits (e.g., general information regarding coinsurance, annual benefit amounts, allowable services, general exclusions, etc.) - claims (e.g., for an explanation of out-of-pocket expenses incurred, claims filing or payment, etc.) - benefit coordination (e.g., other group insurance) - network providers (e.g., identifying in-network vs. out-of-network providers) 	<p>1-800-553-9536 (651) 406-5916</p>	<p>www.deltadentalmn.org</p>
<p>Genesis – Flexible Spending Account Plans Customer service representatives are available to answer questions regarding the medical and dependent daycare reimbursement account plans</p>	<p>1-888-308-8322 (952) 653-4400</p>	<p>www.genesisbenefits.net</p>
<p>Midwest Employee Assistance Program Confidential services available to employees and their family members.</p>	<p>1-800-383-1908</p>	<p>www.midwesteap.com username: cityofduluth password: member</p>

*Please have your group and member identification numbers available to facilitate discussions with the customer service representative.

How can I get more information about Open Enrollment?

Open Enrollment Meetings

Human Resources staff will be available to assist you with Open Enrollment questions on the following dates:

Date	Time	Location
Monday, November 28, 2011	7:30 a.m. to 9:00 a.m.	Public Works & Utilities Training Center (Garfield)
	9:30 a.m. to 10:30 a.m.	Library – Green Room (staff entrance off Michigan St.)
	11:00 a.m. to Noon	40 th Ave. West Tool House
	1:00 p.m. to 2:00 p.m.	City Hall – Council Chambers
Tuesday, November 29, 2011	8:00 a.m. to 9:00 a.m.	City Hall – Council Chambers
	11:00 a.m. to Noon	Public Works & Utilities Training Center (Garfield)
	12:30 p.m. to 1:30 p.m.	Main Fire Hall Training Center
	2:30 p.m. to 3:30 p.m.	Fleet Services

Contact a Human Resources Representative

Staff in the Human Resources Office are trained to answer your questions and help you with Open Enrollment procedures.

- Human Resources Front Desk (218) 730-5210
- Marlene Van Puymbrouck (218) 730-5198
- Cookie Gilmore (218) 730-5204
- Keely Downs (218) 730-5197

City of Duluth Website, Human Resources Home Page

A variety of information is available at the City of Duluth Human Resources home page, under *Employee Benefits*, www.duluthmn.gov/employment.

Important Dates and Information

- **November 21 – December 5, 2011:** City of Duluth Open Enrollment Period
- **December 5, 2011:** Deadline for submitting 2012 Open Enrollment forms for health, dental and FSA plans
- **Late December 2011:** Watch for your new ID cards, which will be mailed directly to your home.
- **January 1, 2012:** Open Enrollment elections and plan changes take effect
- **Late January/early February 2012:** A Benefits Confirmation Statement will be mailed to your home. Please review for accuracy and report any corrections within 10 business days.

HR Portal: eSuite

In Position Information, why doesn't the position start date match my hire date?

- The position date is not a reflection of the hire date. The effective date for position is reflective of a change to the position (for example, the position moved from one department to another, the employee was moved to a new position, etc.). Employee hire dates are stored within the HR/Payroll system, but are not viewable in the HR Portal.

In Position Information, why does it not show my current position?

- The position information displayed in eSuite may not be correct. We are waiting for an upgrade to our software that will allow us to make changes more easily to positions. Currently it is very restrictive and we have not updated employee's positions for quite some time.

How do I reset my Username and Password for the HR Portal if I can't remember them?

- **To Reset Username:**
 - Email a work order to MIS requesting them to reset your HR Portal username
- **To Reset Password:**
 - Click on the "Reset Password" Link on the HR Portal login page
 - Complete all fields on the "Reset Password" Screen
 - Click "Continue"
 - Click on "Click to login" to return to the HR Portal login page

Why doesn't my longevity pay appear on Pay Rate History?

- Pay Rate History shows the base hourly rate of pay. It shows only the current pay rate (no historical data at this time).
- Longevity pay at the City is not added as a flat amount; it is calculated as a percentage which appears on the Paycheck Information page only.

Why doesn't my Pay Rate "date" match the date of my last pay rate increase?

- The Pay Rate "date" reflects the date Payroll made the pay rate change.
- In some cases, this is the beginning of a pay period. In other cases, the change occurs later in a payroll cycle, causing the change to be entered in the next payroll cycle. In the latter scenario, the "date" reflects the date payroll staff made the change in the Pay Rate screen, not necessarily the effective date of the change.

Why aren't my accruals on my Paycheck Information?

- Accruals appear on the Accrual page in the HR Portal, not on the Paycheck Information page.

For employees that are new to the HR Portal, you can access it by opening your web browser from any computer & typing the following address (or copy and paste the address into your browser):

<http://esuite.duluthmn.gov>

- Click on "City of Duluth HR Portal"
- Once on the HR Portal Employee Login page, use the "click here" link for instructions on how to use the site.
- Please note: The username you create for the HR Portal must be at least 7 and no more than 25 characters in length. Some users with short names won't be able to use "first initial/last name" without adding additional characters. Create a Username and Password that is easy for you to remember.

2011 Official Notices

(Open Enrollment Period for 2012 Benefits)

1. Medicare D Annual Notice
2. Federal Health Care Reform Notices
3. HIPAA Notice of Privacy Practices
4. CHIPRA Annual Notice (Premium Assistance)
5. ERRP (Early Retiree Reinsurance Program)
6. The Federal Mental Health Parity Act



If you (and/or your dependents) 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 next page for more details.

MEDICARE PART D PRESCRIPTION COVERAGE

IF YOU OR ANY OF YOUR COVERED FAMILY MEMBERS ARE NOT MEDICARE ELIGIBLE, PLEASE DISREGARD THIS NOTICE

However, in determining if you should consider purchasing a Medicare prescription drug plan, you should first look at your medical insurance coverage.

If that coverage is expected to pay out as much or more than the standard Medicare prescription drug program, you will have creditable coverage and will not be penalized if you choose not to enroll in Medicare prescription drug plan at this time and circumstances change and you later want to enroll.

The Duluth Joint Powers Enterprise Trust's Comprehensive Hospital-Medical Benefit Plan 3A is considered creditable, which means they are expected to pay out as much or more than the standard Medicare prescription drug program.

IMPORTANT NOTICE ABOUT YOUR PRESCRIPTION DRUG COVERAGE AND MEDICARE

IF YOU OR ANY OF YOUR COVERED FAMILY MEMBERS ARE NOT MEDICARE ELIGIBLE, PLEASE DISREGARD THIS NOTICE

If you or a covered dependent has Medicare Part A and/or B (or will be eligible within the next 12 months) you will want to read this notice carefully about your current Prescription Drug Coverage and Medicare. **If not, you can disregard this notice.**

NOTE: The Centers for Medicare and Medicaid Services (CMS) regulations require us to provide this notification to all individuals with prescription drug coverage who are eligible for Medicare. You are receiving this letter because we don't know if you, or a covered family member, are entitled to Medicare or not. Medicare entitlement includes individuals who qualify for Medicare because of a disability or end-stage renal disease (ESRD), as well as individuals who are over age 65.

PLEASE READ THIS ENTIRE NOTICE CAREFULLY AND KEEP IT WHERE YOU CAN FIND IT.

This notice has information about your current prescription drug coverage through the Duluth JPE Trust's Comprehensive Hospital-Medical Benefit Plan 3A and the new prescription drug coverage available January 1, 2006, for people with Medicare. The following health plan options are covered under this notice: **Duluth Joint Powers Enterprise Trust's Comprehensive Hospital-Medical Benefit Plan 3A**. This notice also tells you where to find more information to help you make decisions about your prescription drug coverage.

1. In 2006, Medicare prescription drug coverage became available to everyone with Medicare. All Medicare prescription drug plans will provide at least a standard level of coverage set by Medicare. Some plans might also offer more coverage for a higher monthly premium.
2. ClearScript and NPS have determined that the prescription drug coverage offered under the Plan 3A are **creditable**, which means on average for all plan participants, it is expected to cover at least as much as the standard Medicare prescription drug coverage (Medicare Part D).
3. Read this notice carefully – it explains the options you have under Medicare prescription drug coverage, and can help you decide whether or not you want to enroll.

Because your existing coverage is on average at least as good as standard Medicare prescription drug coverage, you can keep this coverage and not pay extra if you later decide to enroll in Medicare coverage.

You can join a Medicare drug plan when you first become eligible for Medicare and each year from November 15th through December 31st. This may mean that you may have to wait to join a Medicare drug plan and that you may pay a higher premium (a penalty) if you join later. You may pay that higher premium (a penalty) as long as you have Medicare prescription drug coverage. However, if you lose creditable prescription drug coverage, through no fault of your own, you will be eligible for a sixty (60) day Special Enrollment Period (SEP) because you lost creditable coverage to join a Part D plan. *In addition, if you lose or decide to leave employer sponsored coverage; you will be eligible to join a Part D plan at that time using an Employer Group Special Enrollment Period.* 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.

IMPORTANT NOTICE ABOUT YOUR PRESCRIPTION DRUG COVERAGE AND MEDICARE *(continued)*

If you decide to join a Medicare drug plan and continue your Duluth Joint Powers Enterprise Trusts's prescription drug coverage, your coverage will not be affected.

If you do decide to join a Medicare drug plan and drop your Duluth Joint Powers Enterprise Trusts's prescription drug coverage, be aware that you and your dependents may not be able to get this coverage back.

You should also know that if you drop or lose your coverage with the City of Duluth 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 prescription drug coverage that's at least as good as Medicare's prescription drug coverage, your monthly premium may go up by at least 1% of the base beneficiary premium per month for every month that you did not have that coverage. For example, if you go nineteen months without coverage, your premium may consistently be at least 19% higher than the 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 the City of Duluth Human Resources Office at (218) 730-5198 or (218) 730-5197. NOTE: You may receive this notice annually and at other times in the future such as before the next period you can enroll in Medicare prescription drug coverage, and if this coverage 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 available in the "Medicare & You" handbook. You should receive a copy of the handbook in the mail from Medicare. You may also be contacted directly by Medicare prescription drug plans. You can also get more information about Medicare prescription drug plans from these places:

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

For people with limited income and resources, extra help paying for a Medicare prescription drug plan is available. Information about this extra help is available from the Social Security Administration (SSA). For more information about this extra help, visit SSA online at www.socialsecurity.gov or call them at 1-800-772-1213 (TTY 1-800-325-0778).

Remember: Keep this notice. If you enroll in one of the Medicare prescription drug plans, you may need to give 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 amount.

Date: November 2011
Name of Entity/Sender: City of Duluth
Contact - Position/Office: Human Resources
Address: 411 W. First Street, 313 City Hall, Duluth, MN 55802
Phone: (218) 730-5198 or (218) 730-5197

ORGANIZED HEALTH CARE ARRANGEMENT NOTICE OF PRIVACY PRACTICES

Effective: January 1, 2011

This notice describes how medical information about you may be used and disclosed and how you can get access to this information. Please review it carefully.

As required by the Health Insurance Portability and Accountability Act, this notice describes the medical information practices of the City of Duluth's Organized Health Care Arrangement (OHCA) and that of any third party that assists in the administration of OHCA Plan claims.

For purposes of HIPAA and this notice, the OHCA includes the following plans:

- Duluth Joint Powers Enterprise Trust Group Health Plan
- Duluth Joint Powers Enterprise Trust Group Dental Plan
- Duluth Joint Powers Enterprise Trust Medical Flexible Spending Account Program
- Duluth Joint Powers Enterprise Trust Employee Assistance Program

We understand that medical information about you and your health is personal. We are committed to protecting medical information about you. This notice applies to the applicable medical information maintained by any of the OHCA plans noted above and which is considered protected health information (PHI). Your personal doctor or health care provider may have different policies or notices regarding the doctor's use and disclosure of your medical information created in the doctor's office or clinic. If there is a breach of your PHI we shall notify you immediately upon discovery of such breach pursuant to the Health Information Technology for Economic and Clinical Health Act (HITECH).

How We May Use and Disclose Medical Information About You

We may use and disclose any applicable medical information obtained through administration of any of the above noted OHCA plans, for each of the following purposes:

- Treatment means providing, coordinating, or managing health care and related services by one or more health care providers. An example of this would include case management.
- Payment means such activities as obtaining reimbursement for services, confirming coverage, billing or collection activities, and utilization review. An example of this would be adjudicating a claim and reimbursing you for a medical bill submitted under your medical reimbursement account.
- Health Care Operations include the business aspects of running our health plan, such as conducting quality assessment and improvement activities, auditing functions, cost-management analysis, and customer service. An example would be an internal quality assessment review.
- Required by Law means we will disclose medical information about you when required to do so by federal, state or local law. An example would be when required by a court order or subpoena.

We may also create and distribute de-identified health information by removing all references to individually identifiable information.

We may contact you to provide information about treatment alternatives or other health-related benefits and services that may be of interest to you.

Any other uses and disclosures will be made only with your written authorization. You may revoke such authorization in writing and we are required to honor and abide by that written request, except to the extent that we have already taken actions relying on your authorization.

Your Rights Regarding Medical Information About You

You have the following rights with respect to your protected health information (PHI), which you can exercise by presenting a written request to the HIPAA Privacy Officer:

- The right to request restrictions on certain uses and disclosures of protected health information, including those related to disclosures to family members, other relatives, close personal friends, or any other person identified by you. We are, however, not required to agree to a requested restriction. If we do agree to a restriction, we must abide by it unless you agree in writing to remove it.
- The right to reasonable requests to receive confidential communications of protected health information from us by alternative means or at alternative locations.
- The right to inspect and copy your protected health information. We may charge a fee for the costs of copying and mailing. We also may deny your request in certain very limited situations, and will provide you with an opportunity to request a review of the denial.
- The right to amend your protected health information. We may however, deny your request in certain limited situations.
- The right to receive an accounting of non-routine disclosures of protected health information.
- We have the obligation to notify you of the availability of this notice and you have the right to obtain a written copy of it from us every three years. You may also obtain a copy of this notice at any time from the City's Human Resources website.

We are required by law to maintain the privacy of your protected health information and to provide you with notice of our legal duties and privacy practices with respect to protected health information.

Changes to this Notice

We are required to abide by the terms of the Notice of Privacy Practices currently in effect. We reserve the right to change the terms of our Notice of Privacy Practices and to make the new notice provisions effective for all protected health information that we maintain. We will post the revised notice on the City's Human Resources website and you may also request a written copy of the revised Notice of Privacy Practices.

Complaints

You have recourse if you feel that your privacy protections have been violated. You have the right to file a formal, written complaint with our HIPAA Privacy Officer or with the Department of Health and Human Services, Office of Civil Rights, about violations of the provisions of this notice or the policies and procedures of our office. We will not retaliate against you for filing a complaint.

HIPAA Privacy Officer Contact Information:

Steven Hanke, City of Duluth, 411 W. First Street, City Hall, Duluth, MN 55802, (218) 730-5271.

CHIPRA NOTICE

Medicaid and the Children's Health Insurance Program (CHIP) Offer Free Or Low-Cost Health Coverage To Children And Families

If you are eligible for health coverage from your employer, but are unable to afford the premiums, some States have premium assistance programs that can help pay for coverage. These States use funds from their Medicaid or CHIP programs to help people who are eligible for employer-sponsored health coverage, but need assistance in paying their health premiums.

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

If you or your dependents are NOT currently enrolled in Medicaid or CHIP, and you think you or any of your dependents might be eligible for either of these programs, you can contact your State Medicaid or CHIP office or dial **1-877-KIDS NOW (1-877-543-7669)** or **www.insurekidsnow.gov** to find out how to apply. If you qualify, you can ask the State if it has a program that might help you pay the premiums for an employer-sponsored plan.

Once it is determined that you or your dependents are eligible for premium assistance under Medicaid or CHIP, your employer's health plan is required to permit you and your dependents to enroll in the plan – as long as you and your dependents are eligible, but not already enrolled in the employer's plan. This is called a "special enrollment" opportunity, and **you must request coverage within 60 days of being determined eligible for premium assistance.**

If you live in one of the following States, you may be eligible for assistance paying your employer health plan premiums. The following list is current as of November 1, 2011. You should contact your State for further information on eligibility

MINNESOTA – Medicaid	WISCONSIN – Medicaid
Website: www.dhs.state.mn.us	Website: www.dhs.wisconsin.gov/medicaid
<i>Click on Health Care, then Medical Assistance</i>	Phone: 1-800-362-3002
Phone (Outside of Twin Cities area): 1-800-657-3739	
Phone (Twin Cities area): (651) 431-2670	

To see if any more States have added a premium assistance program since November 1, 2011, or for more information on special enrollment rights, you can contact either:

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

U.S. Department of Health & Human Services
Centers for Medicare & Medicaid Services
www.cms.hhs.gov
1-877-267-2323, Ext. 61565

NOTICE ABOUT THE EARLY RETIREE REINSURANCE PROGRAM

You are a plan participant, or are being offered the opportunity to enroll as a plan participant, in an employment-based health plan that is certified for participation in the Early Retiree Reinsurance Program. The Early Retiree Reinsurance Program is a Federal program that was established under the Affordable Care Act. Under the Early Retiree Reinsurance Program, the Federal government reimburses a plan sponsor of an employment-based health plan for some of the costs of health care benefits paid on behalf of, or by, early retirees and certain family members of early retirees participating in the employment-based plan. By law, the program expires on January 1, 2014.

Under the Early Retiree Reinsurance Program, your plan sponsor may choose to use any reimbursements it receives from this program to reduce or offset increases in plan participants' premium contributions, co-payments, deductibles, co-insurance, or other out-of-pocket costs. If the plan sponsor chooses to use the Early Retiree Reinsurance Program reimbursements in this way, you, as a plan participant, may experience changes that may be advantageous to you, in your health plan coverage terms and conditions, for so long as the reimbursements under this program are available and this plan sponsor chooses to use the reimbursements for this purpose. A plan sponsor may also use the Early Retiree Reinsurance Program reimbursements to reduce or offset increases in its own costs for maintaining your health benefits coverage, which may increase the likelihood that it will continue to offer health benefits coverage to its retirees and employees and their families.

If you have received this notice by email, you are responsible for providing a copy of this notice to your family members who are participants in this plan.

THE FEDERAL MENTAL HEALTH PARITY ACT

The **Federal Mental Health Parity Act** was signed into law on Oct. 3, 2008 (the "2008 Act"), as part of the recently enacted economic recovery package (Sections 511 and 512 of HR 1424, PL 110-343). The new law, which amends ERISA, the Internal Revenue Code and the Public Health Service Act, requires insured and self-insured plans to provide "parity" between the financial requirements and treatment limitations applied to: (a.) mental health and substance use disorder benefits; and (b.) medical and/or surgical benefits.

This requirement will take effect for most plans on the first day of their plan year which begins or renews on or after Oct. 3, 2009.

NEW REQUIREMENTS

- The new law does not allow either more restrictive or separate financial requirements for mental health and substance use disorder coverage. It specifically defines the 'financial requirements' that must be in parity as:
 - 1) Deductibles
 - 2) Co-payments
 - 3) Co-insurance
 - 4) Out-of-pocket expenses
- However, a plan may still have an aggregate lifetime limit and an aggregate annual limit that is applied to both medical and mental health and substance use disorder benefits.
- The law prohibits treatment limits on mental health and substance use disorder benefits that are more restrictive than those of medical/surgical benefits. The law specifically requires the following limitations to be in parity:
 - 1) Limits on frequency of treatment
 - 2) Limits on number of visits
 - 3) Limits on number of days of coverage
 - 4) Other similar limits on the scope or duration of coverage
- The law requires an explanation of a denial of benefits for mental health and substance use disorder treatment (if requested)
- The law also requires out-of-network (OON) coverage for mental health and substance use disorder treatment if OON coverage is available for medical/surgical benefits
- Employers who have behavioral health benefit limits or cost-sharing requirements will need to review those restrictions against their medical benefits coverage in order to assess whether they meet federal parity requirements of the 2008 Act and, if not, to determine what adjustments need to be made to your plan design to achieve compliance. This review will need to be completed well in advance of the effective date stated above.
- Under the new law, employers can choose which mental health and substance use diagnoses they want to cover. The parity requirements will apply to all diagnoses the employer chooses to cover (subject to applicable state law mandates; many states currently have limits on specific diagnoses such as autism, for example). An employer can not choose to cover some diagnoses at parity and others not at parity.

COMPLAINTS AND QUESTIONS

If you have questions about your HIPAA privacy rights or if you believe your rights have been violated, you may contact the City's Human Resources Office or you may file a complaint with the Department of Health and Human Services. You will not be penalized for filing a complaint.