

2015 Active COBRA Guide



Medical Vision Dental FLEXTRA

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The City of Austin is committed to compliance with the Americans with Disabilities Act. Call the Human Resources Department at 512-974-3400 (Voice) or 800-735-2985 (Relay Texas TTY Number) for more

Contact Information

City of Austin Human Resources Department Employee Benefits Division

Benefits staff are available to answer any questions you have about your benefits.

Phone Number: 512-974-3284
Email: HRD.Benefits@austintexas.gov
Fax Number: 512-974-3420

Please make an appointment before visiting our office.

Office Hours: 7:30 a.m. to 5:00 p.m.
Office Location: 505 Barton Springs, Suite 600

Online Resources

To access benefits information, go to austintexas.gov/benefits.

You can also view eligibility requirements and plan choices.

CompuSys/Erisa Group Inc. (Erisa)

Dental Assistance Plan FLEXTRA Health Care Account COBRA Administration

These programs are managed by the City's third party administrator, Erisa.

Phone Number: 512-250-9397
Toll-Free Number: 800-933-7472
Fax Number: 512-250-2937

Mailing Address: 13706 Research Blvd., Ste. 308
Austin, TX 78750

City of Austin Dental Plan

To view claim activity, go to coadentalplan.com.

To register, follow these steps:

1. Enter your insured ID number from your ID card.
2. Create a password.
3. Click the **Submit** button.

UnitedHealthcare Medical Plans

Medical Phone Number: 800-430-7316
myNurseLine: 877-440-6011
Vision Phone Number: 800-203-4317
Vision Providers: uhcvision.com
Mental Health Providers: liveandworkwell.com
Prescription Information: myuhc.com

To find a medical provider, go to myuhc.com.

1. Click the **Find Physician, Laboratory, or Facility** link.
2. Select **UnitedHealthcare Choice Plus** for the CDHP w/HSA and PPO. Select **UnitedHealthcare Choice** for the HMO.

To view the prescription formulary, print a temporary ID card, and Explanation of Benefits, go to myuhc.com. To register, follow these steps:

1. Click the **Register Now** button.
2. Enter information from your ID card.
3. Click the **Next Step** button.
4. Enter email address or sign up for a free email account.
5. Create a username, password, answer security questions, and agree to website policies.
6. Click the **Submit** button.

Davis Vision Vision Plan

Toll-Free Number: 888-445-2290

To view benefits, locate a provider, and check claim status, go to davisvision.com. To register, follow these steps:

1. Click the **Members** link.
2. Click the **Register** link.
3. Enter information from your ID card.
4. Create a username, password, and security question.
5. Click the **Register** button.

For non-members click on the **Members** link and enter **2481** for Client Code.

Contact each benefit vendor directly for identification cards, claims, benefits, and coverage information.

COBRA Guide Information

City of Austin benefits are approved by the City Council each year as part of the budget process. The benefits and services offered by the City may be changed or terminated at any time.

This Guide is designed to help you understand your benefits. Some information in this *Guide* comes from the *2015 Employee Benefits Guide* and may pertain only to active City employees. Review this material carefully before making your enrollment decisions. Your rights are governed by each plan instrument (which may be a plan document, evidence of coverage, certificate of coverage, or contract), and not by the information in this Guide. If there is a conflict between the provisions of the plan you selected and this Guide, the terms of the plan govern.

For detailed information about the plans, refer to each plan instrument, contact Erisa, the vendor, or the Employee Benefits Division of the Human Resources Department.

COBRA Continuation of Coverage

The Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA), as amended, is a Federal law that requires employers to offer Qualified Beneficiaries the opportunity to continue medical, dental, and vision at their own cost in the case of certain Qualifying Events. If you have money remaining in your FLEXTRA Health Care Account, you may continue your participation through COBRA for the remainder of the calendar year.

Continuation of your life insurance, short term disability, long term disability, FLEXTRA Dependent Care Account, and group legal plan is not available under COBRA.

Qualified Beneficiary

A Qualified Beneficiary is you or your family member who was covered under a City-sponsored medical plan, dental plan, vision plan, or the FLEXTRA Health Care Account on the day before a Qualifying Event. If more than one family member is eligible, each person may elect continued coverage separately. A child who is born to or placed for adoption with a Qualified Beneficiary during the period of COBRA continuation coverage is himself or herself, a Qualified Beneficiary.

Qualifying Events for COBRA Continuation of Coverage

As determined by Federal law, Qualifying Events include:

- Termination of employment (including retirement) for any reason except gross misconduct.
- Divorce or legal separation from employee.
- Death of employee.
- Entitlement to Medicare
- The loss of eligibility for coverage due to a change in work status.
- Dependent child's loss of eligibility because he or she no longer meets the definition of an eligible dependent under the plan.

Notice Requirements

Each employee or Qualified Beneficiary is required to notify the Employee Benefits Division of the Human Resources Department within 60 days of a divorce, legal separation, a child no longer meeting the definition of dependent, or entitlement to Medicare benefits. Erisa, the City's COBRA administrator, will then notify all Qualified Beneficiaries of their rights to enroll in COBRA coverage. Notice to a Qualified Beneficiary who is the spouse or former spouse of the covered employee is considered proper notification to all other Qualified Beneficiaries residing with the spouse or former spouse at the time the notification is made.

Initial Enrollment

How to Enroll for Coverage

You have 60 days in which to complete a COBRA enrollment form electing coverage from the later of:

- The date coverage ends.
- The date you are notified of your rights under COBRA.

Payment Due Dates

You have 45 days from the date you elect COBRA coverage to pay the amount owed to Erisa. Your payment must be received in Erisa's office by the 45th day. If you make your election and pay on time, coverage under COBRA will begin the day after your group benefits otherwise would have ended. Your first payment must cover the cost of continuation coverage from the time your coverage under the Plan would have otherwise terminated up to the time you make the first payment. You are responsible for making sure that the amount of your first payment is enough to cover this entire period. Contact Erisa to confirm the correct amount of your first payment. After the initial payment, payments for COBRA coverage must be made on a monthly basis and are due on the first day of the month of coverage. Payments must be received within 30 days of the due date or coverage will be cancelled.

Your Cost for Coverage

If you choose to continue medical, vision, and/or dental coverage under COBRA, you will be responsible for paying the total premium, plus a 2% administrative fee. The total premium includes the amount you contributed as an active employee plus the amount the City contributed toward the cost of your coverage. If you qualify for 29 months of COBRA coverage due to social security approved disability, your cost will equal 102% of the total premium for the first 18 months and 150% for the 19th through the 29th months of COBRA coverage.

If premiums for City employees change, the new premiums also apply to COBRA participants who have elected coverage under COBRA. You will be notified of new rates prior to the effective date.

If you have money remaining in your FLEXTRA Health Care Account, you may continue your participation through COBRA, however you will pay 102% of the monthly contribution you designated for remainder of the calendar year.

If you elect COBRA coverage, your contributions must be mailed directly to Erisa. If you elect the Consumer Driven Health Plan coverage you have the option to open a Health Savings Account. Member contributions are made directly to Optum Bank.

How Long Coverage Continues

Depending on the Qualifying Event, medical, vision, or dental coverage may be continued under COBRA either 18, 29, or 36 months past the Qualifying Event.

You and covered family members may elect to continue coverage for up to 18 months if coverage ends due to:

- Your termination of employment (including retirement) for any reason except gross misconduct.
- The loss of eligibility for coverage due to a change in your work status.
- Enrollment in the Affordable Care Act Marketplace.

If a participant is determined to be disabled under the Social Security Act either at the time of a Qualifying Event, or at any time during the first 60 days of COBRA coverage, the disabled individual and all covered family members may be eligible for up to 29 months of COBRA coverage, rather than 18 months. In order for the disabled individual and any qualified family members to be eligible for the 29 months of COBRA coverage, the disabled family member must meet the requirements listed below before the first 18 months expires.

The individual must:

- Be determined to be disabled by the Social Security Administration.
- Notify Erisa within 60 days of the Social Security Administration's determination of disability.

A Qualified Beneficiary may elect to continue coverage for up to 36 months if coverage ends due to:

- Divorce or legal separation from an employee or former employee.
- Death of employee or former employee.
- Entitlement to Medicare of former employee.
- Dependent child's loss of eligibility because he or she no longer meets the definition of an eligible dependent under the plan.

It is possible that a Qualified Beneficiary may experience a second Qualifying Event while enrolled in COBRA coverage. In that case, the maximum period of COBRA coverage will be the longest period for which the Qualified Beneficiary is eligible.

COBRA coverage under the FLEXTRA Health Care Account may be continued through the end of the calendar year in which you originally elected FLEXTRA coverage.

When Coverage Ends

Your continued coverage under COBRA generally ends after the expiration of the period described above in "How Long Coverage Continues". However, under certain circumstances, COBRA coverage may end before the full period of eligibility. Coverage will end on the earliest of the following dates, if any of these dates occur before the end of the applicable COBRA period:

- Any required premium is not paid in full on time.
- The date you become covered under another group health plan or entitled to Medicare.
- The date the City ceases to offer medical, dental, vision or FLEXTRA Health Care Account to employees.
- The end of the calendar year in which you originally elected FLEXTRA Health Care.

If you or a covered dependent becomes covered under another group benefit plan, you normally are not eligible to continue coverage under COBRA. However, if the new coverage has a pre-existing condition exclusion or limitation that limits your coverage under the new plan, you may keep your COBRA coverage for the remainder of the time you are eligible, or until the pre-existing condition limitation expires, whichever comes first.

The Health Insurance Portability and Accountability Act of 1996 (HIPAA) restricts the extent to which group health plans may impose pre-existing condition limitations. If the other group medical plan's pre-existing condition rule does not apply to you, your COBRA coverage through the City may be terminated.

Dependent Eligibility

COBRA participants may add or maintain coverage for eligible dependents according to the same provisions as active employees. If you have questions about COBRA and dependents contact Erisa or the City.

Eligible Dependents

Your dependents who meet the descriptions listed below can be enrolled for benefits.

- **Spouse:** Your legally married spouse, including a declared common-law spouse. Only one spouse may be covered at any time.
- **Children:** Your biological children, stepchildren, legally adopted children, children for whom you have obtained court-ordered guardianship or conservatorship, qualified children placed pending adoption. Your children must be under 26 years of age.
- **Dependent Grandchildren:** Your unmarried grandchild must meet the requirements listed above, and must also qualify as a dependent (as defined by the Internal Revenue Service) on your or your spouse's federal income tax return.

Persons Not Eligible

Dependents do not include:

- Individuals on active duty in any branch of military service (except to the extent and for the period required by law).
- Permanent residents of a country other than the United States.
- Parents, grandparents, or other ancestors.
- Grandchildren who do not meet the definition of dependent grandchildren and who are not claimed on your or your spouse's Federal tax return.

An individual is not eligible to be covered:

- As both a City employee and a COBRA participant, for the same benefit.
- As both a COBRA participant and as a dependent of a COBRA participant, for the same benefit.
- As a dependent of a City employee or a COBRA participant, for the same benefit.

Dependent Documentation

To provide coverage for a dependent under any of the City's benefits programs, you must provide documentation that supports your relationship to the dependent. Social Security Numbers must be provided for all eligible dependents.

Acceptable documents are listed below for the following dependents:

- **Spouse:** A marriage certificate or declaration of informal (common-law) marriage, which has been recorded as provided by law.
- **Child:** A certified birth certificate, complimentary hospital birth certificate, Verification of Birth Facts issued by the hospital or court order establishing legal adoption, guardianship, or conservatorship, or qualified medical child support order, or be the subject of an Administrative Writ.
- **Stepchild:** The documentation listed above must also be provided, and a marriage certificate or declaration of informal marriage indicating the marriage of the child's parent and stepparent.
- **Dependent Grandchild:** The documentation listed above must also be provided, and a marriage certificate or declaration of informal marriage that supports the relationship between you and your grandchild.
- **Qualified Child Pending Adoption:** For children already placed in your home, an agreement executed between you and a licensed child-placing agency or TDFPS, which meets the requirements listed in Dependent Eligibility.

Coverage Information

Changing Coverage

Open Enrollment

During Open Enrollment, you may make changes to your coverage. Allowable changes include:

- Adding or dropping a dependent.
- Changing from one medical plan to another.
- Cancelling coverage.

Changes During the Year

- You may change coverage as long as you submit an enrollment form within 31 days of the qualifying life event to Erisa. The change will be effective the first day of the month after your enrollment form is submitted.
- In the case of a newborn dependent, medical coverage is temporarily effective on the date of birth for any eligible child born while you are a covered participant. Coverage continues for the child for 31 days. Coverage extends beyond that date only if you submit an enrollment form within 31 days of the child's birth.
- To drop coverage for a dependent who is no longer eligible, you must submit a corrected COBRA enrollment form to Erisa. If applicable Erisa will send you a new coupon book with adjusted premium payments. The City will not refund premiums paid for dependents that should have been dropped because they were no longer eligible for coverage.
- Coverage may be cancelled at any time on any individual. You must submit a corrected COBRA enrollment form to Erisa.
- At times other than Open Enrollment, you are not permitted to add dependents not previously covered, except in the case of a newly acquired dependent or a loss of coverage that results from employment.
- To drop coverage due to a change in other coverage attributable to employment, you must submit a corrected COBRA enrollment form to Erisa.
- You cannot change between the CDHP, PPO, and HMO during the year, unless you move outside the HMO service area or as allowed by HIPAA Special Enrollment.

Premium Errors

COBRA Enrollment Form Error

It is your responsibility to ensure that information on the COBRA enrollment form is correct. If a premium error occurs, you must notify Erisa *immediately*. If an overpayment occurs due to an error you made when completing the COBRA enrollment form, up to a one-month credit may be given for future premiums. If underpayment occurs due to an error you made on the COBRA enrollment form, the City has the right to collect any additional premiums owed.

Data Entry Error/Delay

If a data entry error occurs or if data entry is delayed, it will not invalidate the coverage on your COBRA enrollment form. Upon discovery, an adjustment will be made to reflect the correct premium. If underpayment of premium occurs, the City has the right to collect any additional premium owed by you. If overpayment occurs, up to a one-month credit may be given for future premiums.

As a participant, you may choose the medical plan that best meets your needs. Provider and prescription information is available online at myuhc.com. Select UnitedHealthcare Choice Plus for the Consumer Driven Health Plan with a Health Savings Account or PPO. Select UnitedHealthcare Choice for the HMO.

Things to consider when choosing a medical plan:

- Premium costs for dependent coverage
- Future expenses
- Amount of out-of-pocket expenses
- Amount of specialist copays
- Amount of prescription drug copays
- Predictability of inpatient hospital expenses

For treatment before your ID card arrives

You will need to pay for the services out-of-pocket, then submit a claim form and your receipt to UnitedHealthcare. If you are enrolled in the CDHP w/HSA or PPO and utilize a non-network doctor or facility, the amount will be applied toward your out-of-network deductible. If you are enrolled in the HMO you must use network providers.

myNurseLine

The UnitedHealthcare myNurseLine is a resource for individuals covered by a City medical plan. This 24-hour service is designed to help you save time and money by helping you access the nearest and best level of medical care. When you call myNurseLine you speak to a registered nurse who can guide you to the appropriate medical facility based on your immediate needs. For assistance call [877-440-6011](tel:877-440-6011) 24 hours a day, seven days a week.

Medical Rates - Monthly

The monthly COBRA medical rates are listed below. The term Insured refers to a COBRA Qualified Beneficiary who has elected coverage for himself or herself and/or his or her eligible dependents.

| | CDHP | PPO | HMO |
|-----------------------------|-------------|-------------|-------------|
| Insured Only | \$ 466.14 | \$ 554.08 | \$ 575.87 |
| Insured & Spouse | \$ 1,046.01 | \$ 1,243.32 | \$ 1,315.13 |
| Insured & Child or Children | \$ 892.34 | \$ 1,061.84 | \$ 1,122.90 |
| Insured & Family | \$ 1,439.67 | \$ 1,711.19 | \$ 1,809.79 |
| Child Only | \$ 466.14 | \$ 554.08 | \$ 575.87 |
| Children Only | \$ 466.14 | \$ 554.08 | \$ 575.87 |

CDHP w/HSA

In 2015, the City will offer a new medical plan option called Consumer Driven Health Plan with a Health Savings Account, or CDHP w/HSA. Like the PPO and HMO medical plans, the CDHP w/HSA will be administered by UnitedHealthcare. The same network of doctors and facilities as those on the PPO and HMO plans are available. Despite these similarities the plan has different requirements and works differently. Read on to see if the CDHP w/HSA plan is right for you.

Why the City is Offering a New Plan

Research shows that in 2015, 82 percent of large employers will offer some type of Consumer Driven Health Plan. The City is also concerned with the rising cost of health care. Lower premiums, a Health Savings Account, and higher out-of-pocket costs for non-preventive services on this plan empower you to be a wise consumer of health. The City and UnitedHealthcare will provide you with tools to make the cost of health care more transparent. This will allow you to consider the cost of a provider or facility before making the decision of where to seek care.

Plan Features

- Insured Only in-network deductible is \$1,500 and Insured with Dependent in-network deductible is \$3,000.
- Insured Only in-network, out-of-pocket maximum is \$5,000 and Insured with Dependent in-network out-of-pocket maximum is \$10,000.
- Out-of-network coverage is available at higher deductibles, coinsurance, and maximum out-of-pocket charges.

You have the ability to make contributions to your HSA. This will allow you to save money to meet your deductible or save for future medical expenses. The annual amount that can be contributed to an HSA is determined by the IRS. The chart below shows the contribution limits per month for 2015.

HSA Contribution Amounts

| 2015 HSA Contribution Limits | Insured Only Coverage | Insured & Dependents |
|------------------------------|-----------------------|----------------------|
| Annually | Up to \$3,350 | Up to \$6,650 |

How the CDHP w/HSA Works

Before enrolling in the CDHP w/HSA it is important to understand how the plan works. Here are a few things to know about this plan:

- Preventive services and preventive prescriptions mandated by the Affordable Care Act continue to be covered at 100 percent.
- You must meet your calendar year deductible first before the plan pays for any covered services (except for preventive services.) You can use money in your HSA to pay for these eligible expenses.
- The CDHP w/HSA includes two prescription formularies:
 - ❖ Expanded Preventive Drug List – you will pay 20 percent of the cost, no deductible. The list of expanded preventive medications can be found on the Employee Benefits web page at austintexas.gov/benefits.
 - ❖ 2015 Prescription Drug List – once you meet your calendar year deductible, the plan will pay 80 percent of the cost for drugs on this list.
- Once you meet your calendar year deductible, the plan will pay 80 percent of in-network covered services and you will be responsible for 20 percent.
- Once you meet your calendar year out-of-pocket maximum, the plan will pay 100 percent of in-network covered services.

CDHP w/HSA Schedule of Benefits

Preventive services include annual physicals, well baby checks, and well women exams. Other wellness screenings such as colonoscopies are also considered preventive services when they are not performed for diagnostic purposes. To find the preventive medication list go to austintexas.gov/benefits.

| Medical Benefits | Insured Only | Insured & Dependents | Insured Only | Insured & Dependents |
|--|--|--|--|--|
| | In-Network | | Out-Of-Network | |
| Deductible | \$1,500 | \$3,000 | \$3,000 | \$6,000 |
| Preventive Services | Plan pays 100%. | Plan pays 100%. | Calendar year deductible applies. Plan pays 60% | Calendar year deductible applies. Plan pays 60% |
| Eligible Covered Services & Facilities | Calendar year deductible applies. Plan pays 80%. | Calendar year deductible applies. Plan pays 80%. | Calendar year deductible applies. Plan pays 60%. | Calendar year deductible applies. Plan pays 60%. |
| Out-of-Pocket Maximum | \$5,000 per calendar year. | \$10,000 per calendar year. | \$10,000 per calendar year. | \$20,000 per calendar year. |

| Vision Benefits | In-Network | Out-of-Network |
|---|--|--|
| Annual Routine Vision Exam | Calendar year deductible applies. Plan pays 80%. | Calendar year deductible applies. Plan pays 60%. |
| Annual Contact Lens Fitting Fee | Calendar year deductible applies. Plan pays 80%. | Calendar year deductible applies. Plan pays 60%. |
| Frames, Standard Lenses, and Contact Lenses | Preferred Pricing at participating private practices. Preferred Pricing discounts at participating retail chain providers. | Not available at private practices. Retail chain providers may offer a discount. |

| Prescription Benefits | Coverage |
|---|--|
| Affordable Care Act Mandated Prescriptions. | Plan pays 100%. |
| Expanded Preventive Drug List – found at austintexas.gov/benefits . | Plan pays 80%. No deductible. |
| 2015 Prescription Drug List. | Calendar year deductible applies. Plan pays 80%. |

CDHP Health Savings Account

When you enroll in the CDHP w/HSA you may also enroll in a Health Savings Account (HSA) through Optum Health Bank. Contributions are made directly to Optum Health Bank. An HSA is a tax-advantage account you own and manage. You can use your HSA to pay for eligible medical, prescription, dental, and vision expenses.

You own the money in the HSA, including any interest; therefore, whatever you do not use throughout the year automatically rolls over to the next year. Your HSA is fully portable which means when you are no longer enrolled you keep any money in your HSA. You can continue to use this money to pay for eligible expenses.

Optum Health Bank will communicate with you via US Mail. It is important that you read and respond to any requests so your HSA can be opened in a timely manner. Once your account is opened, you will receive an Optum Health Debit card. You can use your Optum Health Debit card to pay for eligible medical, prescription, vision, and dental expenses at the point of service, such as a doctor's office or at the pharmacy.

Health Savings Account Eligibility

In order to be eligible for a Health Savings Account you must meet certain requirements determined by the IRS. If you do not meet all of these requirements you are not eligible to enroll in the City's CDHP w/HSA medical plan. It is up to you to determine if you meet these eligibility requirements so review them carefully.

HSA eligibility requirements:

- You or your enrolled dependents cannot be eligible to be claimed on another person's tax return.
- You or your enrolled dependents cannot be enrolled in a Flexible Spending Health Care Account.
- You cannot be enrolled in any plan other than a CDHP including: Medicare, Medicaid, or Tricare.
- You could not have received benefits from the Veteran's Administration in the three months prior to enrolling.
- You must provide a physical address to Optum Health Bank (no P.O. Boxes).
- You must be a legal resident of the United States.

If you do not meet all of the above requirements you are not eligible for the HSA.

HMO & PPO Schedule of Benefits

| | HMO | PPO | |
|--|--|---|--|
| | | In-Network | Out-of-Network |
| Individual Deductible | None. | \$500 per covered person, per calendar year. | \$1,500 per covered person, per calendar year. |
| Family Deductible Maximum | None. | Three individual deductibles. | Three individual deductibles. |
| Out-of-Pocket Maximum | \$4,000 per covered person or \$8,000 per family, per calendar year. | \$3,500 per covered person, per calendar year. | \$12,000 per covered person, per calendar year. |
| Out-of-pocket maximums for both the HMO and PPO include medical and prescription copay, deductible, and coinsurance amounts. | | | |
| Lifetime Maximum | Unlimited. | Unlimited. | Unlimited. |
| Maximum Allowable Charge | The maximum allowable charge is the maximum fee for a particular service or supply that the Plan will consider eligible for payment. | The maximum allowable charge is the maximum fee for a particular service or supply that the Plan will consider eligible for payment. In the case of out-of-network benefits, the covered person may be responsible for paying charges in excess of the maximum allowable charge in addition to any deductible, coinsurance, copays, or facility fee required by the Plan. | |
| Selection of Doctor | Members must select a network doctor. | Members select an in-network doctor. | Members select an out-of-network doctor. |
| Service Locations | Services are provided at in-network doctors' offices, hospitals, and other facilities. If a required service is not available in-network, pre-approval is required. | Services are provided at in-network doctors' offices, hospitals, and other facilities. If a required service is not available in-network, pre-approval is required; otherwise, the service will be paid as an out-of-network expense. | Services are provided in out-of-network doctors' offices, hospitals, and other facilities. |
| Residency Requirements | Must live or work in the service area (Bastrop, Blanco, Burnet, Caldwell, Hays, Travis, and Williamson counties). Children for whom you have been court-ordered to provide medical support are not required to live in the service area. | None. UnitedHealthcare is a national network; contact UnitedHealthcare directly for a list of doctors and/or facilities in your area. | None. |
| Out-of-Network Benefits | None, except in case of a medical emergency. | \$1,500 deductible. Plan pays 60%, up to maximum allowable charge. Out-of-network benefits are subject to in-network benefit plan limits and pre-approval and pre-notification requirements. In addition to the above, Outpatient Surgical Facility and Inpatient Hospital Services are subject to a \$250 per day facility fee. | |

HMO & PPO Schedule of Benefits

| | HMO | PPO – In-Network |
|--|---|--|
| Preventive Exams | Plan pays 100%, no copay. | Plan pays 100%, no copay. |
| Doctor's Charges for Office Visits | \$25 Primary Care Physician copay per visit. \$45 Specialist copay per visit. | \$25 Primary Care Physician copay per visit. \$35 Specialist copay per visit. |
| Doctor's Charges for Maternity Office Visits | \$25 copay for first office visit. Plan pays 100% thereafter. | \$25 copay for first office visit. Calendar year deductible applies. Plan pays 80%. |
| Urgent Care and Non-Hospital Minor Emergency Centers | \$45 copay per visit. | \$35 copay per visit. |
| Convenience Care Clinics | \$25 copay per visit. | \$25 copay per visit. |
| Outpatient Surgery | \$1,000 copay. | Calendar year deductible applies. Plan pays 80%. |
| Colonoscopies | Plan pays 100% for preventive screenings. | Plan pays 100% for preventive screenings. |
| Hospital Inpatient | Included in Hospital Services. \$1,500 copay per confinement. Limited to semi-private room rate. Pre-notification is required unless hospitalization is the result of an emergency. | Calendar year deductible applies. Plan pays 80%. Limited to semi-private room rate. Pre-notification is required unless hospitalization is the result of an emergency. |
| Hospital Emergency Room Services | \$200 copay per visit. | \$150 copay per visit. |
| Ambulance Service | \$100 copay. | Calendar year deductible applies. Plan pays 80%. |
| Allergy and Other Covered Injections | Allergy injections are covered at 50%. Plan pays 50% for allergy testing and serum. Plan pays 100% for all other injections. If charged for an office visit, office visit copays apply. | Allergy injections are covered at 100%. Plan pays 100% for allergy testing and serum. If charged for an office visit, office visit copays apply. |
| Immunizations | Plan pays 100%. If charged for an office visit, office visit copays apply. | Plan pays 100%. If charged for an office visit, office visit copays apply. |
| Physical and Occupational Therapy | \$45 copay per visit. | \$35 copay per visit. |
| Chiropractic Care | \$45 copay per visit. Limited to 20 visits per covered person, per calendar year. | \$35 copay per visit. Limited to 20 visits per covered person, per calendar year. |
| Speech Therapy | \$45 copay per visit. Limited to rehabilitative speech therapy. | \$35 copay per visit. |
| Registered Dietitian | \$45 copay per visit. | \$35 copay per visit. |
| Acupuncture | Not covered. | \$35 copay per visit. Limited to 12 visits per covered person, per calendar year. |

HMO & PPO Schedule of Benefits

| | HMO | PPO – In-Network |
|--|--|---|
| Outpatient Diagnostic X-Ray and Laboratory | Plan pays 100%. | Plan pays 100%. |
| CT, MRI, PET Scans | \$100 copay. Pre-notification required. | \$100 copay. Pre-notification required. |
| Mental Health Care Outpatient | \$25 copay per visit. | \$25 copay per visit. |
| Mental Health Care Inpatient | \$1,500 copay per confinement. Pre-notification required. | Calendar year deductible applies. Plan pays 80% per calendar year. Pre-notification required. |
| Chemical Dependency | \$1,500 copay per confinement. Pre-notification required. | Calendar year deductible applies. Plan pays 80% per calendar year. Pre-notification required. |
| Extended Care Skilled Nursing Facility | \$25 copay per day. Limited to 30 days per covered person, per calendar year. Pre-notification required. | Calendar year deductible applies. Plan pays 80%. Limited to 60 days per covered person, per calendar year. Pre-notification required. |
| Home Health Care | \$30 copay per visit. | Plan pays 100%. Limited to 120 visits per covered person, per calendar year. |
| Hospice Care | Plan pays 100%. Limited to 50 visits per person, per calendar year. Pre-notification required. | Plan pays 100%. Pre-notification required. |
| Durable Medical Equipment | Plan pays 100%. Pre-notification required for any item over \$1,000. | Calendar year deductible applies. Plan pays 80%. Pre-notification required for any item over \$1,000. |
| Disposable Medical Supplies | Plan pays 80%. Pre-notification required for any item over \$1,000. | Calendar year deductible applies. Plan pays 80%. Pre-notification required for any item over \$1,000. |
| Breast Pumps | Plan pays 100%. | Plan pays 100%. No coverage for out-of-network providers. |
| Prosthetic-Orthotic Devices | Plan pays 80%. Pre-notification required for any item over \$1,000. | Calendar year deductible applies. Plan pays 80%. Pre-notification required for any item over \$1,000. |
| Diabetic Equipment Insulin pumps and related supplies. | Plan pays 80%. Pre-notification required for any item over \$1,000. | Calendar year deductible applies. Plan pays 80%. Pre-notification required for any item over \$1,000. |
| Diabetic Supplies At a durable medical equipment provider. | Plan pays 80%. | Calendar year deductible applies. Plan pays 80%. |
| Diabetic Counseling | Plan pays 100%. | Plan pays 100%. |
| Other Covered Medical Expenses | Refer to your Medical Plan Document or contact UnitedHealthcare. | |

Vision Benefits – UnitedHealthcare

| | Routine Vision Network | HMO/PPO In-Network |
|--|---|--|
| Annual Routine Vision Exam | \$25 copay for routine vision exam including contact lens fitting. Members must use the Routine Vision Network. | \$45 copay Choice (HMO) \$35 copay Choice Plus (PPO) |
| Annual Contact Lens Fitting Fee | Amount charged is due at time service is rendered. Submit a vision claim form for 100% reimbursement of contact lens fitting fee. | Included in annual routine vision exam copay. |
| Frames, Standard Lenses and Contact Lenses | Preferred Pricing at participating private practices. Preferred Pricing discounts at participating retail chain providers. | Not available at private practices. Retail chain providers may offer a discount. |

Prescription Benefits – UnitedHealthcare

| | HMO | | PPO | |
|--------|--|--|--|--|
| | Retail Pharmacy (limited to a 31-day supply) | Mail Order Pharmacy (limited to a 90-day supply) | Retail Pharmacy (limited to a 31-day supply) | Mail Order Pharmacy (limited to a 90-day supply) |
| Tier 1 | \$10 | \$ 30 | \$10 | \$ 20 |
| Tier 2 | \$35 | \$105 | \$30 | \$ 60 |
| Tier 3 | \$55 | \$165 | \$50 | \$100 |

A \$50 deductible will apply for Tier 2 & Tier 3 prescription drugs per covered person. Once the deductible is met the copays listed above apply.

Applies to the CDHP w/HSA, HMO, and PPO

| Diabetic Supplies (see also Diabetic Equipment) | |
|--|---|
| Retail Pharmacy | Supplies are covered at a participating pharmacy. |
| Mail Order Pharmacy | A participant's insulin/non-insulin and related diabetic supplies can be purchased through mail order for the cost of the insulin/non-insulin if prescriptions for the insulin/non-insulin and supplies are submitted at the same time. |

| Tobacco Cessation Program/Drugs |
|---|
| <p>A participant can receive an FDA approved tobacco cessation drug at no cost, if the participant:</p> <ul style="list-style-type: none"> • Is covered under a City medical plan. • Completes requirements of the HealthyConnections Tobacco Cessation Program. • Is 18 years of age or older. • Obtains a prescription from his or her physician and contacts the Employee Benefits Division to receive approval. <p>This applies to prescription tobacco cessation drugs and over-the-counter nicotine replacement therapy (patches, gums, etc.) at a retail pharmacy or through the mail order service.</p> |

| Diabetes Program/Drugs |
|--|
| <p>A participant can receive diabetes medication and supplies at no cost, if the participant:</p> <ul style="list-style-type: none"> • Is covered under a City medical plan. • Completes requirements of the HealthyConnections Diabetes Program. • Is 18 years of age or older. <p>The benefit of receiving diabetes medication and supplies at no cost is ongoing as long as the individual stays enrolled in the program and continues to meet program requirements.</p> <p>This benefit does not include medications prescribed for related issues – such as high blood pressure and cholesterol – and it does not include durable medical equipment such as continuous glucose monitors.</p> |

Consumer Tips

myNurseLine

The UnitedHealthcare myNurseLine is a resource for members covered by a City medical plan. This 24-hour service is designed to help you save time and money by helping you access the nearest and best level of medical care. When you call myNurseLine you speak to a registered nurse who can guide you to the appropriate medical facility based on your immediate needs. For assistance call [877-440-6011](tel:877-440-6011) 24 hours a day, seven days a week.

Know Your Pharmacy Benefit

Prescription medications are categorized within three tiers on the Prescription Drug List. Each tier is assigned a cost, which is determined by your pharmacy benefit plan. Tier 1 medications offer you the lowest-cost option, while Tier 3 medications are your highest-cost option. Knowing which medications are in each tier will help you understand where you can save money.

- Go to myuhc.com or call [800-430-7316](tel:800-430-7316) to price medications.
- Check to see if using the mail order pharmacy will save you money on prescription medications you take on an ongoing basis.
- Talk to your doctor and pharmacist about identifying lower cost options.

Consider Pharmacies That Offer Discounts on Generics

Some retail pharmacies offer very low prices on select generic drugs—often less than your usual member cost—and include commonly prescribed generic medications for several conditions such as diabetes, mental health, high blood pressure and infection (antibiotics).

- Ask your doctor if there is a generic alternative that is appropriate for you.
- Check with your local pharmacy to see if it offers a discount on generic medications.

Ask About Over-the-Counter (OTC) Alternatives

An OTC medication may be the right treatment for some conditions. These medications are not covered under your pharmacy benefit, but they may cost less than your out-of-pocket expense for prescription medications.

- Ask your doctor or pharmacist if there is an OTC alternative available that is right for you.
- Check product and manufacturer websites for money saving coupons.

Tools to Manage Medical Costs

When you enroll in a City medical plan, you will want to know how much a medical service or medication will cost before you pay for it. UnitedHealthcare offers the cost estimator tool which will allow you to estimate the cost of services at different providers before you decide to seek care. Since you are responsible for all or part of the charges you can choose the provider that works best for your needs and budget. To use the UnitedHealthcare Cost Estimator Tool, login to myUHC.com, click on Estimate Healthcare Costs, enter your zip code and follow the prompts.

How To Use Mail Order

Each medical plan has a mail order prescription drug benefit that offers home delivery and, in some instances, can save you money. Generally, these programs are designed to cover drugs used to treat chronic conditions and/or medications taken for more than 31 days.

To begin using mail order:

- Have your doctor write a prescription for a 90-day supply of your medication (ask for three refills).
- Complete the mail order form and attach your prescription.
- Provide a check or credit card information.
- Mail this information to the medical plan's mail order pharmacy.

Within 7 to 14 days, your prescription will be delivered to you, postage paid.

- **CDHP w/HSA** participants will pay 20 percent of the cost once the in-network deductible is met. If applicable, you can use your Optum Health Bank debit card to pay for your out-of-pocket expenses. If you have not met your in-network deductible, you will pay 100 percent of the cost. If the prescription is for a preventive care medication listed on the Expanded Preventive Drug List, no deductible is required, you will only pay 20 percent of the cost.
- **HMO** participants receive 90 days of medication for *three* copays.
- **PPO** participants receive 90 days of medication for *two* copays.

If your doctor allows you to take a generic drug, this should be indicated on the prescription. The mail order pharmacy will then fill your prescription using a generic form of your medication, if available. Three weeks before your mail order supply runs out, you will need to request a refill.

For additional information, go to myuhc.com or call UnitedHealthcare at 800-430-7316.

Diabetic Bundling – What Your Medical Plan Does for You

Participants who are required to take insulin/non-insulin can realize significant savings if they utilize the mail order service offered through UnitedHealthcare. If you submit the 90-day prescriptions through the mail order program, you will incur *three* copays if enrolled in the HMO Plan but only *two* copays if enrolled in the PPO Plan. The copay incurred is for the insulin/non-insulin prescription; the other supplies (lancets and test strips) are included at no cost to you. If you are enrolled in the CDHP w/HSA Plan and have not met your in-network deductible, you will pay 100 percent of the insulin/non-insulin prescription only. If you have met your deductible, you will pay 20 percent of the insulin/non-insulin prescription. If applicable, you can use your Optum Health Bank debit card to pay for your out-of-pocket cost.

Vision Plan

DAVIS VISION

EYECARE REFRAMED

Healthy eyes and clear vision are an important part of your overall health and quality of life. Davis Vision will help you care for your sight while saving you money.

To view benefits and locate a provider, go to www.davisvision.com or call 888-445-2290.

For non-members, click on **Members** link and enter **2481** for the client code.

Plan Design

| | | | |
|---|--|---|--|
| Covered Service – In-network Benefits (limited out-of-network benefits are available). | | | |
| Comprehensive Eye Exam – \$10 copay, one exam per calendar year. | | | |
| Frames – Once per calendar year in lieu of contact lenses. Up to \$125 retail allowance toward provider-supplied frame plus 20% off cost exceeding the allowance.* <p style="text-align: center;">OR</p> Any Fashion or Designer frame from Davis Vision’s exclusive Collection (with retail values up to \$175), Covered in Full . <p style="text-align: center;">OR</p> Any Premier frame from Davis Vision’s exclusive Collection (with retail values up to \$225), Covered in Full after an additional \$25 copay. One year eyeglass breakage warranty included at no additional cost. | | Contacts – Once per calendar year in lieu of frames. Up to \$120 allowance toward provider-supplied contacts plus 15% off cost exceeding the allowance.* Standard Contacts – Evaluation, fitting fees, and follow-up care, \$25 copay applies. Specialty Contacts – Evaluation, fitting fees, and follow-up care, up to a \$60 allowance plus 15% off cost exceeding allowance*. \$25 copay applies. <p style="text-align: center;">OR</p> Davis Vision Collection contact lenses, evaluation, fitting fees, and follow-up care, Covered in Full after \$25 copay. (Up to 4 boxes of disposable lenses.) <p style="text-align: center;">OR</p> Medically necessary with prior approval, Covered in Full . | |
| Standard Eyeglass Lenses – Single, Bifocals, Trifocals, Lenticular, and Standard Scratch Coating. \$25 copay, once per calendar year. Polycarbonate lenses for children are covered in full up to age 19. | | | |
| Lens Options Standard progressive addition lenses Premium progressives (i.e. Varilux, etc.) Intermediate-vision lenses Blended-segment lenses Ultraviolet coating Standard anti-reflective (AR) coating | Copay \$50 \$90 \$30 \$20 \$12 \$35 | Lens Options Premium AR Coating Ultra AR coating High-index lenses Polarized lenses Photochromic glass lenses Plastic photosensitive lenses | Copay \$48 \$60 \$55 \$75 \$20 \$65 |
| * Additional Discounts – Not available at Wal-Mart or Sam's Club. | | | |

Davis Vision Rates – Monthly

| | |
|-----------------------------|---------|
| Insured Only | \$ 4.45 |
| Insured & Spouse | \$ 8.81 |
| Insured & Child or Children | \$ 8.65 |
| Insured & Family | \$13.16 |
| Child Only | \$ 4.45 |
| Children Only | \$ 4.45 |

Dental Assistance Plan

This plan allows you to choose your own dentist. Covered benefits are indicated by dental codes. A fixed fee schedule indicates the maximum amount paid per code. For detailed information, refer to the Employee Dental Assistance Plan Document online at austintexas.gov/benefits or call Erisa at 512-250-9397. To view claims activity, go to coadentalplan.com.

Plan Coverage

| | |
|---|--|
| Preventive Care | No Deductible |
| \$50 Calendar Year Deductible, per covered person | |
| Basic Care | Deductible applies |
| Major Care | Deductible applies |
| Calendar Year Maximum <i>Includes Orthodontia expenses</i> | \$2,000 per covered person |
| Lifetime Orthodontia Maximum Orthodontia Treatment | \$2,000 per covered person Covered at 50% of Maximum Allowable Charge Deductible applies |
| Night guard, splints, implants, and over dentures | Not Covered |

Orthodontia Treatment

Expenses are paid only as the work progresses. Receipts are submitted for reimbursement after you receive them from your dentist at each visit. Orthodontia benefits paid by the plan are applied toward the calendar year maximum.

The amounts reimbursable for orthodontia expenses are determined as claims are incurred throughout the course of treatment. This amount may not match the payment plan you have set up with your dentist.

Dental Rates – Monthly

| | |
|-----------------------------|-----------|
| Insured Only | \$ 39.98 |
| Insured & Spouse | \$ 111.96 |
| Insured & Child or Children | \$ 111.96 |
| Insured & Family | \$ 111.96 |
| Child Only | \$ 39.98 |
| Children Only | \$ 39.98 |

FLEXTRA

FLEXTRA Health Care Accounts

If you terminate employment with the City (or experience another COBRA Qualifying Event), you will have until May 31, 2016 to submit claims to Erisa for expenses that were incurred while you were employed with the City and you contributed to your FLEXTRA Health Care Account.

If you have money remaining in your FLEXTRA Health Care Account, you may continue your participation through COBRA, however you will pay 102% of the monthly contribution you designated for the remainder of the calendar year. For example, as a City employee, if you chose \$2,400 for the annual FLEXTRA Health Care election amount and you terminate on July 1, you have already paid \$1,200 into your FLEXTRA Health Care Account. If you have not incurred any claims, you will need to continue to contribute to the FLEXTRA Health Care Account in order to access those funds after termination.

FLEXTRA Health Care Carryover

If you are contributing to your FLEXTRA Health Care Account on December 31, 2015, you are eligible to incur expenses until March 15, 2016, and file against your 2015 funds. All 2015 claims must be received by May 31, 2016, by Erisa in order to be eligible for payment.

FLEXTRA Health Care Benefits Card

As a COBRA participant, the FLEXTRA Health Care Benefits Card is not available. You must complete a FLEXTRA Health Care claim form and submit the form along with your paid receipts and/or Explanation of Benefits directly to Erisa.

FLEXTRA Dependent Care Account

You are not eligible for COBRA continuation in your FLEXTRA Dependent Care Account. If you terminate employment with the City, you will have until March 15, 2016, to incur expenses and submit claims to Erisa by May 31, 2016, to receive reimbursement for funds accrued in your FLEXTRA Dependent Care Account.

Important Benefits Information

- Summary of Benefits and Coverage and Uniform Glossary of Terms
- ADA Compliance
- Governing Plan
- HIPAA
- The Women's Health & Cancer Rights Act
- Patient Protection and Affordable Care Act
- Your Prescription Drug Coverage and Medicare

Summary of Benefits and Coverage (SBC) and Uniform Glossary of Terms

Under the law, insurance companies and group health plans must provide consumers with a concise document detailing, in plain language, simple and consistent information about health plan benefits and coverage. This summary will help consumers better understand the coverage they have and, for the first time, allow them to easily compare different coverage options. It summarizes the key features of the plan and coverage limitations and exceptions. For a copy of the SBC of the City's medical plans go to austintexas.gov/benefits or call 512-974-3284.

Under the Patient Protection and Affordable Care Act (Health Reform), consumers will also have a new resource to help them understand some of the most common but confusing jargon used in health insurance. For a copy of the Uniform Glossary of Terms online at austintexas.gov/benefits or call 512-974-3284 for a copy.

ADA Compliance

The City is committed to complying with the Americans with Disabilities Act (ADA). Reasonable accommodation, including equal access to communications, will be provided upon request. For more information, call the Human Resources Department at 512-974-3284 or use the Relay Texas TTY number 800-735-2989 for assistance. For more information, visit the website at austintexas.gov/ada.

Governing Plan

Your rights are governed by each plan instrument (which may be a plan document, evidence of coverage, certificate of coverage, or contract), and not by the information in this Guide. If there is a conflict between the provisions of the plan you selected and this Guide, the terms of the plan govern. City of Austin benefits are approved by the City Council each year as part of the budget process. The benefits and services offered by the City may be changed or terminated at any time.

The Health Insurance Portability & Accountability Act of 1996 (HIPAA)

This act imposes the following restrictions on group health plans:

Limitations on pre-existing exclusion periods. Pre-existing conditions can only apply to conditions for which medical advice, diagnosis, care, or treatment was recommended or received during a period beginning six months prior to an individual's enrollment date, and any pre-existing condition exclusion is not permitted to extend for more than 12 months after the enrollment date. Further, a pre-existing condition exclusion period may be reduced by any creditable previous coverage the individual may have had.

Special enrollment. Group health plans must allow certain individuals to enroll upon the occurrence of certain events, including new dependents and loss of other coverage. Loss of coverage includes:

- Termination of employer contributions toward other coverage.
- Moving out of an HMO service area.
- Ceasing to be a "dependent," as defined by the other plan.
- Loss of coverage to a class of similarly situated individuals under the other plan (i.e., part-time employees).

Additionally, individuals entitled to special enrollment must be allowed to enroll in all available benefit package options and to switch to another option if he or she has a spouse or dependent with special enrollment rights.

Prohibitions against discriminating against individual participants and beneficiaries based on health status: Plans may not establish rules for eligibility of any individual to enroll under the terms of the plan based on certain health status-related factors, including health status, medical condition, claims experience, receipt of health care, medical history, genetic information, evidence of insurability, or disability.

Standards relating to benefits for mothers and newborns: Plans must provide for a 48-hour minimum stay for vaginal childbirth, and a 96-hour minimum stay for cesarean childbirth, unless the mother or medical provider shortens this period. No inducements or penalties can be used with the mother or medical provider to circumvent these rules.

Parity in the application of certain limits to mental health benefits: Plans must apply the same annual and lifetime limits (i.e., dollar amounts) that apply to other medical benefits to benefits for mental health. If this requirement results in a one percent or more increase in plan costs or premiums, this rule does not apply.

City of Austin Policy on HIPAA

HIPAA gives the City, as the plan sponsor of a non-Federal governmental plan, the right to exempt the plan in whole or in part from the requirements described above. The City has decided to formally implement all of these requirements. The effect of this decision as it applies to each of the above requirements is as follows:

- The Plan does not currently have a pre-existing condition limitation and is in compliance.
- The Plan will provide special enrollment periods.
- The Plan will comply with the non-discrimination rules.
- The Plan will comply with the standards for benefits for mothers and newborn children.
- The Plan will comply with the rules on mental health benefits.

The HIPAA Privacy Rules for Health Information were established to provide comprehensive Federal protection concerning the privacy of health information. The Privacy Rules generally require the City to take reasonable steps to limit the use, disclosure, and requests for Protected Health Information to the minimum necessary to accomplish the intended purpose. The City is committed to implementing the Privacy Rules.

The Women's Health and Cancer Rights Act of 1998 was enacted on October 21, 1998. It provides certain protections for breast cancer patients who elect breast reconstruction in connection with a mastectomy. Specifically, the act requires that health plans cover post-mastectomy reconstructive breast surgery if they provide medical and surgical coverage for mastectomies. Coverage must be provided for:

- Reconstruction of the breast on which the mastectomy has been performed.
- Surgery and reconstruction of the other breast to produce a symmetrical appearance.
- Prosthesis and physical complications of all stages of mastectomy, including lymph edemas.
- Secondary consultation whether such consultation is based on a positive or negative initial diagnosis.

The benefits required under the **Women's Health and Cancer Rights Act of 1998** must be provided in a manner determined in consultation with the attending physician and the patient. These benefits are subject to the health plan's regular copays and deductibles.

Patient Protection and Affordable Care Act

As part of the Patient Protection and Affordable Care Act (Health Reform) effective January 2010, medical plans which exceed a threshold level established by the Federal government will have to pay a 40% excise tax. The City of Austin is committed to designing a medical plan that is below the threshold level; however, if the threshold is reached the cost of the excise tax will be passed on to participants.

Health Insurance Marketplace

There may be other coverage options for you and your family besides COBRA. When key parts of health care reform take effect, you will be able to buy coverage through the Health Insurance Marketplace. In the Marketplace, you could be eligible for a new kind of tax credit that could lower your monthly premiums starting on January 1, 2014. You can determine your premium costs, deductible amounts, and out-of-pocket expenses before making a decision. Being eligible for COBRA does not limit your eligibility for coverage for a tax credit through the Marketplace. For more information go to Healthcare.gov.

Your Prescription Drug Coverage and Medicare

Beneficiary Creditable Coverage Disclosure Notice

This notice has information about your current prescription drug coverage with the City of Austin and about your options under Medicare's prescription drug coverage. This information can help you decide whether or not you want to join a Medicare drug plan. If you are considering joining a Medicare drug plan, 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 this area. There are two important things you need to know about your current coverage and Medicare's prescription drug coverage:

1. On January 1, 2006, new prescription drug coverage became available to individuals with Medicare Part A. This coverage is available through Medicare prescription drug plans, also referred to as Medicare Part D. All such plans provide a standard, minimum level of coverage established by Medicare. Some plans may also offer more coverage for a higher monthly premium.
2. The City of Austin has determined that prescription drug coverage offered through City health plans is, on average for all plan participants, expected to pay out as much as standard Medicare prescription drug coverage pays and is therefore considered Creditable Coverage. Because your existing coverage is Creditable Coverage, you can keep this coverage and not pay a higher premium (a penalty) if you later decide to join a Medicare drug plan.

Other Important Considerations

- If you currently have prescription drug coverage through a City health plan, you may choose to enroll in Medicare Part D annually between October 15 and December 7, or when you first become eligible for Medicare Part D.
- If you decide to join a Medicare drug plan, your current City of Austin medical coverage will not be affected.
- If you do decide to join a Medicare drug plan and drop your current City of Austin coverage for your dependents, you may be able to get this coverage back during an Open Enrollment period.
- You should also know that if you drop or lose your current coverage with the City of Austin and don't join a Medicare drug plan within 63 continuous days after your current coverage ends, you may pay a higher premium (a penalty) to join a Medicare drug plan later. If you go 63 continuous days or longer without creditable prescription drug coverage, your monthly premium may go up by at least 1% of the Medicare base beneficiary premium per month for every month that you did not have that coverage. For example, if you go 19 months without Creditable Coverage, your premium may consistently be at least 19% higher than the Medicare base beneficiary premium.
- You may have to pay this higher premium (a penalty) as long as you have Medicare prescription drug coverage. In addition, you may have to wait until the following October to join.
- If you are enrolled in Medicare Part D or a Medicare Advantage Plan and are also enrolled in the City health plan, you may have duplicate prescription coverage. If you would like to review your coverage or for more information, contact the Employee Benefits Division of the Human Resources Department at [974-3284](tel:974-3284).

More information about Medicare Part D prescription drug coverage

More detailed information about Medicare plans that offer prescription drug coverage is in the "Medicare & You" handbook. You'll get a copy of the handbook in the mail every year from Medicare. You may also be contacted directly by Medicare drug plans. You can also:

- Visit: www.medicare.gov for personalized help.
- Call the **Health and Human Services Commission of Texas** toll free at [888-834-7406](tel:888-834-7406), local number [800-252-9330](tel:800-252-9330).
- Call [800-MEDICARE \(800-633-4227\)](tel:800-MEDICARE).
- TTY users should call [877-486-2048](tel:877-486-2048).

Financial assistance may be available for individuals with limited income and resources through the **Social Security Administration (SSA)**. For more information, visit the SSA website at: www.socialsecurity.gov. Or call [800-772-1213](tel:800-772-1213). TTY users should call [800-325-0778](tel:800-325-0778).