



Welcome to Open Enrollment for Your **2012** Benefits

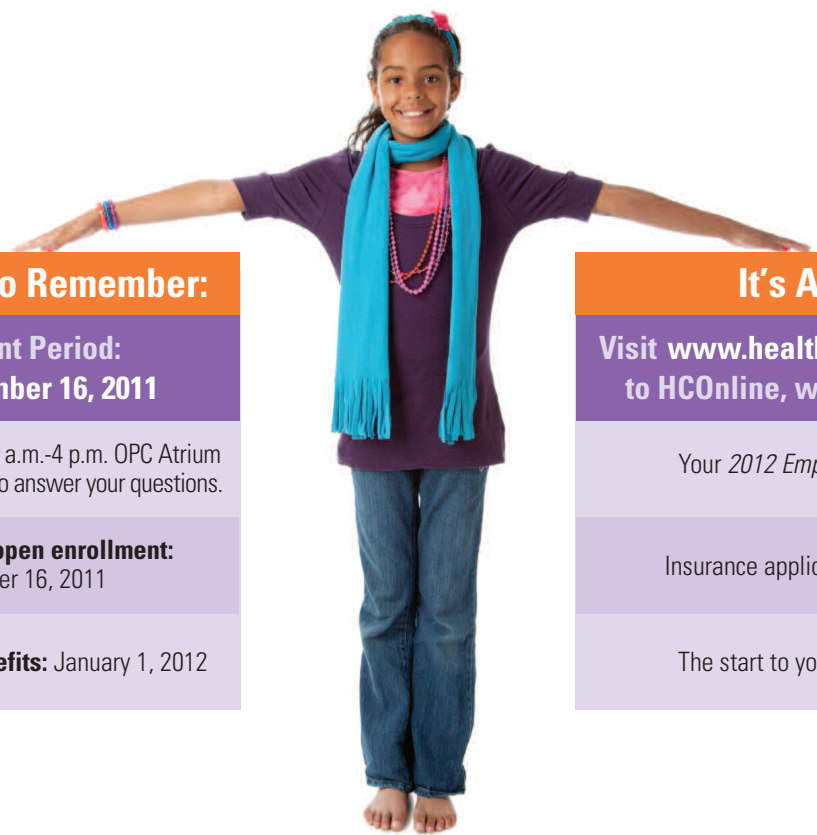
Open Enrollment is October 17 through November 16

Benefiting
Together

Open Enrollment is that time of year when you have the opportunity to review your benefits coverage and make changes that will best fit your needs for the following plan year. We encourage you to spend time thinking about your current enrollment choices and how your situation might change next year.

This introduction to Open Enrollment describes highlights of what's new for 2012 and actions you need to take during the Open Enrollment period.

If you have questions about your Open Enrollment materials, contact Paula Garcia. Paula may be reached by phone at 510-428-3645 or by email at pgarcia@mail.cho.org.



Important Dates to Remember:

Open Enrollment Period:
October 17-November 16, 2011

Benefits Fair: Wed., Oct. 26, 8 a.m.-4 p.m. OPC Atrium
Benefit vendors will be present to answer your questions.

Deadline to complete open enrollment:
Thursday, November 16, 2011

Effective date of 2012 benefits: January 1, 2012

It's All Online:

Visit www.healthcomp.com and log on
to HCOOnline, where you will find...

Your 2012 Employee Benefits Guide

Insurance applications and other forms

The start to your enrollment process

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 page 10 for more details.

What's Changing in 2012

New 2012 Deductions

Part-time non-represented employees and members of CNA: If you do not take any action during Open Enrollment, and your medical plan requires cost sharing, payroll deductions will begin the first pay period in January (1/13/12 paycheck).

Part-Time, Non-Represented Employees Only

Beginning in 2012, premium costs for part-time non-represented employees will increase to a higher percentage of cost-sharing than full-time non-represented employees, and premium costs for medical, dental and vision coverage under the Kaiser HMO plan will no longer be covered at 100% by Children's. Part-time employees eligible for Children's benefits are those non-represented employees working between 20 and 32 hours per week. For 2012 costs, please see the employee contribution tables on page 3. Benefits under the medical plans will remain the same, except that preventive care under the Kaiser HMO will be 100% covered instead of requiring a \$15 copay per preventive care visit.

Members of the California Nurses Association (CNA)

In 2012, CNA members will be required to share in the premium costs for medical, dental and vision coverage under the Children's PPO plan. Children's will continue to pay 100% of the premium costs for medical, dental and vision coverage under the Kaiser HMO plan—otherwise known as the "free plan." For 2012 costs, please see the employee contribution tables on page 3.

The table below outlines the 2012 benefit changes affecting deductibles, office visit copays and prescription drug copays for CNA members. For details, please see your *2012 Employee Benefits Guide* online.

<i>For CNA Members Only...</i>	Current	2012
Children's PPO		
Deductible (calendar year)	You pay \$150 per person; \$300 per family	You pay \$250 per person; \$500 per family
Physician office visit	Initial visit: Plan pays 80% Subsequent visits: Plan pays first \$9, then 80%*	You pay \$15 copay
Prescription drugs—Retail (up to 30-day supply)	CVS Caremark Pharmacy: Plan pays 90% Non-CVS Caremark Pharmacy: Plan pays based on fee schedule	CVS Caremark Pharmacy: Generic \$10, Formulary Brand \$20, Non-formulary \$30 copay Non-CVS Caremark Pharmacy: Plan pays based on fee schedule
Prescription drugs—Mail Order (up to a 90-day supply)	CVS Caremark Pharmacy: Plan pays 90% Non-CVS Caremark Pharmacy: Not covered	CVS Caremark Pharmacy: Generic \$20, Formulary Brand \$40, Non-formulary \$60 copay Non-CVS Caremark Pharmacy: Not covered
Kaiser HMO		
Preventive care	You pay \$10 copay	No charge
Physician office visit	You pay \$10 copay	You pay \$15 copay
Prescription drugs—Retail	At a Kaiser Pharmacy you pay \$5 copay (generic/brand), maximum 100-day supply	At a Kaiser Pharmacy you pay: Generic \$10, Brand \$20 (maximum 30-day supply)
Prescription drugs—Mail Order (maximum 100-day supply)	At a Kaiser Pharmacy you pay \$5 copay (generic/brand)	At a Kaiser Pharmacy you pay: Generic \$20, Brand \$40
DeltaDental PPO		
Calendar Year Deductible	\$0	\$50 per person

* Plan pays \$630 per person per year for first-dollar physician benefits.



2012 Medical, Dental and Vision Contributions (deducted twice a month; 24 pay periods)

Full-time Non-Represented and SEIU-UHW (Full-time and Part-time) Employees

Coverage Tier	Children's PPO		Anthem Blue Cross HMO		Kaiser HMO	
	Employee Cost	Children's Cost	Employee Cost	Children's Cost	Employee Cost	Children's Cost
Employee Only	\$64.95	\$368.20	\$60.10	\$340.71	\$0.00	\$290.09
Employee + 1	\$140.13	\$794.21	\$129.95	\$736.46	\$0.00	\$607.14
Employee + Family	\$188.37	\$1,067.48	\$174.78	\$990.49	\$0.00	\$863.30

Part-time Non-Represented Employees Only

Coverage Tier	Children's PPO		Anthem Blue Cross HMO		Kaiser HMO	
	Employee Cost	Children's Cost	Employee Cost	Children's Cost	Employee Cost	Children's Cost
Employee Only	\$108.27	\$324.88	\$100.19	\$300.62	\$72.90	\$218.74
Employee + 1	\$233.57	\$700.77	\$216.59	\$649.82	\$152.55	\$457.69
Employee + Family	\$313.95	\$941.90	\$291.31	\$873.96	\$216.91	\$650.78

CNA Employees

Coverage Tier	Children's PPO		Anthem Blue Cross HMO		Kaiser HMO	
	Employee Cost	Children's Cost	Not Covered		Employee Cost	Children's Cost
Employee Only	\$64.95	\$368.20	Not Covered		\$0.00	\$291.64
Employee + 1	\$140.13	\$794.21	Not Covered		\$0.00	\$610.24
Employee + Family	\$188.37	\$1,067.48	Not Covered		\$0.00	\$867.69

L29 and L39 Employees and Residents

Coverage Tier	Children's PPO		Anthem Blue Cross HMO		Kaiser HMO	
	Employee Cost	Children's Cost	Employee Cost	Children's Cost	Employee Cost	Children's Cost
Employee Only	\$0.00	\$443.75	\$0.00	\$401.96	\$0.00	\$304.58
Employee + 1	\$0.00	\$957.88	\$0.00	\$870.09	\$0.00	\$637.51
Employee + Family	\$0.00	\$1,287.67	\$0.00	\$1,170.63	\$0.00	\$906.43

CHEU Employees

Coverage Tier	Children's PPO		Anthem Blue Cross HMO		Kaiser HMO	
	Employee Cost	Children's Cost	Not Covered		Employee Cost	Children's Cost
Employee Only	\$0.00	\$443.75	Not Covered		\$0.00	\$304.58
Employee + 1	\$0.00	\$957.88	Not Covered		\$0.00	\$637.51
Employee + Family	\$0.00	\$1,287.67	Not Covered		\$0.00	\$906.43

New Flexible Spending Account Enrollment Process

For all employees, it's now easy to enroll online in a Flexible Spending Account directly through our provider, WageWorks. You'll find a link on HCOOnline, our benefits enrollment system, or you can visit www.wageworks.com to log in. If you're a first-time user, go to "Username/Password Help" to create a user name and password. Your available FSA options will show, as well as your current coverage. Follow the on-screen instructions to make your contribution/election for 2012, and complete your enrollment.

What **You** Need **to Do Now**

**Be sure to enroll
online by the
November 16
deadline!**

You must take action between October 17 and November 16 if you want to:

- ♥ Change your medical plan,
- ♥ Waive coverage,
- ♥ Add or drop dependents,
- ♥ Increase, decrease or cancel your coverage level for Supplemental Life or Personal Accident Insurance, or
- ♥ Participate in a Flexible Spending Account—you must make a new election if you wish to participate in 2012, even if you are keeping the same contribution election amount.

Please note that the benefit elections you make during this time will be effective for the entire 2012 calendar year, unless you experience a qualifying event relevant to your benefits. For more information, see “Allowable Mid-Year Election Changes” in your *2012 Employee Benefits Guide*, available online.

First Time Logging In?

Your User Name is your Social Security Number entered as nine digits without any hyphens (e.g., 505551234). Your Password is your birthdate, entered as eight straight digits without any hyphens or slashes, in this order: four-digit year, two-digit month, two-digit day. For example, if your birthdate is January 1, 1970, your password will be 19700101.

If you’ve logged in before and changed your User Name and Password, they’ll be saved in the system for you to use again.

Problems Logging In?

Contact Paula Garcia in Employee Benefits at 510-428-3645 if your SSN and birthdate are not accepted as your User Name and Password, or you forget your User Name and Password after changing them.



If You Want To:	Take This Action:
<ul style="list-style-type: none"> • Enroll in a medical plan for the first time • Change your current medical plan • Waive medical coverage • Add or drop dependents 	<p>Complete the appropriate sections of HCOOnline.</p> <ul style="list-style-type: none"> ♥ If you're waiving medical coverage, you must submit a copy of your outside coverage ID card to Employee Benefits. ♥ If you're adding a dependent, you must provide a copy of the marriage certificate and/or birth certificate(s), as applicable. ♥ If you're adding a domestic partner, you must complete the <i>Declaration of Domestic Partnership</i>, available from Employee Benefits. <p>Be sure to complete all screens of HCOOnline. Information on each screen will be saved when you click on the "Next" button. On the last "Enrollment Summary" screen, you must click on the "I Agree" button to complete your enrollment—or else your benefit elections will not be saved.</p>
<p>Enroll in, increase, decrease or drop your coverage level for Supplemental Personal Accident Insurance</p>	<p>Enroll or Increase: Complete both sides of the CIGNA Insurance Application form and mail it directly to CIGNA. Complete the Supplemental Life Insurance sections of HCOOnline.</p> <p>Decrease or Drop: Complete the Supplemental Term Life Decrease/Cancellation Form posted on HCOOnline.</p> <p>Your payroll deductions will not begin until your application has been reviewed and approved by CIGNA.</p>
<p>Enroll in, increase, decrease or drop your coverage level for Supplemental Term Life Insurance</p>	<p>Complete the Supplemental Personal Accident Insurance Form posted on HCOOnline.</p>
<p>Participate in the WageWorks Flexible Spending Account for:</p> <ul style="list-style-type: none"> • Health Care • Dependent Care (for day care or elder care expenses) 	<p>Log on to the Wageworks website to enroll online for an FSA. Visit www.wageworks.com. For assistance, please call Wageworks directly at 877-924-3967.</p> <p>Remember, you must re-enroll each year if you wish to continue participating in a Flexible Spending Account. Your current election for 2011 does not roll over into 2012.</p>
<p>Enroll in or drop Long-Term Care Insurance</p>	<p>Enroll: Request a Long-Term Care Insurance Enrollment Kit from Employee Benefits.</p> <p>Drop: Notify Employee Benefits in writing that you wish to drop coverage, indicating the date you wish coverage to end. Make sure you sign and date your notice.</p> <p>Your payroll deductions will not begin until your application has been reviewed and approved by UNUM.</p>
<p>Enroll in or drop the Group Legal Plan</p>	<p>Enroll: Complete the Group Legal ARAG Plan section of HCOOnline. Your cost is \$19.50 per month.</p> <p>Drop: Complete the Group Legal ARAG Plan section of HCOOnline.</p>

PTO Cashout Reminder If you are a regular full-time or part-time non-represented employee, you can convert your unused Paid Time Off (PTO) hours into cash. You may cash out either 85% or 100% of your PTO value. For more details and the cashout forms, visit CHONET.

Remember—you have a November 30, 2011 deadline if you wish to cash out 100% of your PTO value, to be paid in 2012.

Important Notices

The federal government requires group health plans and health insurance issuers to offer certain benefits and notify you and your covered dependents about them. The following are important disclosures about our plans and your rights.

Notice Regarding “Grandfathered Plan” Status

On March 23, 2010, President Obama signed into law the *Patient Protection and Affordable Care Act (PPACA)*, making health reform certain and expanding coverage to all Americans over the next several years.

Children’s believes that the following health plans are grandfathered health plans under the Patient Protection and Affordable Care Act (“PPACA”), with the exception of coverage for part-time non-represented employees and members of CNA:

- ♥ Children’s PPO Plan
- ♥ Kaiser Permanente HMO Plan

As permitted by the PPACA, 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 the plan may not include certain consumer protections of the PPACA that apply to other plans (for example, the requirement to provide preventive health coverage without any cost sharing). However, grandfathered health plans must comply with certain other consumer protections in the PPACA (such as the elimination of lifetime limits on benefits).

Questions about 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 Children’s Plan Administrator, HealthComp, by calling 800-442-7247. You may also contact the Employee Benefits Security Administration, U.S. Department of Labor at 866-444-3272 or www.dol.gov/ebsa/healthreform. This website has a table summarizing which protections do and do not apply to grandfathered health plans.



HIPAA Privacy Notice Reminder

The privacy rules under the Health Insurance Portability and Accountability Act (HIPAA) require the Children's Hospital Oakland Welfare Benefit Plan (the "Plan") to periodically send a reminder to participants about the availability of the Plan's Privacy Notice and how to obtain that notice. The Privacy Notice explains participants' rights and the Plan's legal duties with respect to protected health information (PHI) and how the Plan may use and disclose PHI.

To obtain a copy of the Privacy Notice contact Barbara Spindle, Human Resources, at 510-428-3622. You may also view the Privacy Notice online at CHONET.

Provider Choice Notice for Kaiser Medical Plans

Kaiser Permanente California generally requires the designation of a primary care provider. You have the right to designate any primary care provider who participates in the Kaiser health plan network and who is available to accept you or your family members. For information on how to select a primary care provider, and for a list of the participating primary care providers, contact Kaiser at (800) 464-4000.

For children, you may designate a pediatrician as the primary care provider.

You do not need prior authorization from Kaiser or from any other person in order to obtain access to obstetrical or gynecological care from a healthcare professional in the Kaiser network who specializes in obstetrics or gynecology. The healthcare professional, however, may be required to comply with the certain procedures, including obtaining prior authorization for certain services, following a pre-approved treatment plan or procedures for making referrals. For a list of participating healthcare professionals who specialize in obstetrics or gynecology, contact Kaiser at (800) 464-4000.

Women's Health and Cancer Rights Act of 1998

If you or one of your covered dependents have had or are going to have a mastectomy, you may be entitled to certain benefits under the Women's Health and Cancer Rights Act (WHCRA). For individuals receiving mastectomy-related benefits, coverage will be provided for the following services in a manner determined in consultation with the attending physician and the patient:

- ♥ All stages of reconstruction of the breast on which the mastectomy was performed
- ♥ Surgery and reconstruction of the other breast to produce a symmetrical appearance
- ♥ Prostheses
- ♥ Treatment of physical complications of all stages of the mastectomy, including lymphedemas

These benefits will be provided subject to the same deductibles and coinsurance applicable to other medical and surgical benefits available under your medical plan.

For information on any state maternity benefits or details about any state laws that may apply to your medical plan, please refer to the benefit plan material for the medical plan in which you are enrolled.

Newborns' and Mothers' Health Protection Act of 1996

Federal law protects the benefit rights of mothers and newborns related to any hospital stay in connection with childbirth. In general, group health plans and health insurance issuers may not:

- ♥ Restrict benefits for the length of hospital stay for the mother or newborn child to less than 48 hours following a vaginal delivery, or less than 96 hours following a cesarean section. However, federal law generally does not prohibit the mother's or newborn's attending provider, after consulting with the mother, from discharging the mother or her newborn earlier than 48 hours (or 96 hours as applicable).
- ♥ Require that a provider obtain authorization from the plan or the insurance issuer for prescribing a length of stay of up to 48 hours (or 96 hours).

For information on any state maternity benefits or details about any state laws that may apply to your medical plan, please refer to the benefit plan material for the medical plan in which you are enrolled.

Special Enrollment Rights for Medical Coverage

You and your eligible dependents may enroll for medical program coverage outside of annual Open Enrollment if you lose coverage or acquire newly eligible dependents, as long as you enroll yourself and/or your dependents within 31 days after one of the events described below:

- ♥ If you decline enrollment for yourself or your dependents (including your spouse) because of other health coverage and you later lose that other coverage, you may be able to enroll yourself or your dependents in a Children's-sponsored medical program.
- ♥ If you gain a newly eligible dependent (through marriage, birth, adoption or placement for adoption), you may enroll yourself, your spouse and your eligible dependent children in a Children's-sponsored medical program.

Enrollment in a medical plan outside Open Enrollment is also permitted if you or your eligible dependents either:

- ♥ Lose Medicaid or Children's Health Insurance Program (CHIP) coverage because you are no longer eligible, or
- ♥ Become eligible for a state's premium assistance program under Medicaid or CHIP.

For these last two enrollment opportunities, you will have 60 days—instead of 31—from the date of the Medicaid/CHIP eligibility change to request enrollment in a Children's medical plan. Note that this 60-day extension doesn't apply to enrollment opportunities other than the Medicaid/CHIP eligibility change.

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 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 California, you may be eligible for assistance paying your employer health plan premiums. You should contact the California state Medicaid office for further information on eligibility.

Website: http://www.dhcs.ca.gov/services/Pages/TPLRD_CAU_cont.aspx

Phone: 1-866-298-8443

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 and Human Services
Centers for Medicare & Medicaid Services**
www.cms.hhs.gov
1-877-267-2323, Ext. 61565

Important Notice from Children’s Hospital & Research Center Oakland About Your Prescription Drug Coverage and Medicare

The purpose of this notice is to advise you that the prescription drug coverage available under the medical plans sponsored by Children’s Hospital & Research Center Oakland are expected to pay out, on average, at least as much as the standard Medicare prescription drug coverage will pay in 2012. This is known as “creditable coverage.”

Why this is important. If you or your covered dependent(s) are enrolled in a Children’s medical plan during 2012 and are or become covered by Medicare, you may decide to enroll in a Medicare prescription drug plan later and not be subject to a late enrollment penalty—as long as you had creditable coverage within 63 days of your Medicare prescription drug plan enrollment. You should keep this notice with your important records.

If you or your family members aren’t currently covered by Medicare and won’t become covered by Medicare in the next 12 months, this notice doesn’t apply to you.

Notice of Creditable Coverage

Please read this notice carefully. It has information about prescription drug coverage available under Children’s medical plans and prescription drug coverage available for people with Medicare. It also tells you where to find more information to help you make decisions about your prescription drug coverage.

You may have heard about Medicare’s prescription drug coverage (called Part D), and wondered how it would affect you. Prescription drug coverage is available to everyone with Medicare through Medicare prescription drug plans. All Medicare prescription drug plans provide at least a standard level of coverage set by Medicare. Some plans also offer more coverage for a higher monthly premium.

Individuals can enroll in a Medicare prescription drug plan when they first become eligible, and each year from October 15 through December 7. Individuals leaving employer/union coverage may be eligible for a Medicare Special Enrollment Period.

If you are covered by a Children’s medical plan, you’ll be interested to know that coverage is, on average, at least as good as standard Medicare prescription drug coverage for 2012. This is called creditable coverage. Coverage under a Children’s medical plan will help you avoid a late Part D enrollment penalty if you are or become eligible for Medicare and later decide to enroll in a Medicare prescription drug plan.

If you decide to enroll in a Medicare prescription drug plan and you are an active employee or family member of an active employee, you may also continue your Children’s coverage. In this case, the Children’s medical plan will continue to pay primary or secondary as it had before you enrolled in a Medicare prescription drug plan. If you waive or drop Children’s coverage, Medicare will be your only payer. You can re-enroll in the Children’s plan during the open enrollment period or if you have a special enrollment event for the Children’s plan.

You should know that if you waive or leave medical plan coverage with Children's and you go 63 days or longer without creditable prescription drug coverage (once your applicable Medicare enrollment period ends), your monthly Part D premium will go up at least 1% per month for every month that you did not have creditable coverage. For example, if you go 19 months without coverage, your Medicare prescription drug plan premium will always be at least 19% higher than what most other people pay. You'll have to pay this higher premium as long as you have Medicare prescription drug coverage. In addition, you may have to wait until the following October to enroll in Part D.

You may receive this notice at other times in the future—such as before the next period you can enroll in Medicare prescription drug coverage, if this Children's coverage changes, or upon your request.

For more information about your options under Medicare prescription drug coverage

More detailed information about Medicare plans that offer prescription drug coverage is in the *Medicare & You* handbook. Medicare participants will get a copy of the handbook in the mail every year from Medicare. You may also be contacted directly by Medicare prescription drug plans. Here's how to get more information about Medicare prescription drug plans:

- ♥ Visit www.medicare.gov/ for personalized help.
- ♥ Call your State Health Insurance Assistance Program (see a copy of the *Medicare & You* handbook for the telephone number).
- ♥ 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 1-800-772-1213 (TTY 1-800-325-0778).

Remember: Keep this creditable coverage notice. If you decide to join one of the Medicare drug plans, you may be required to provide a copy of this notice when you join to show whether or not you have maintained creditable coverage and, therefore, whether or not you are required to pay a higher premium.

This newsletter is for employees of Children's Hospital & Research Center Oakland. In the case of any conflict between this publication and the plan documents, the official plan documents will govern. Nothing in this or any other benefits document or oral presentation is intended as an employment contract or guarantee of benefits. Children's Hospital & Research Center Oakland reserves the right to change, replace or end any of its benefits programs at any time.

This newsletter constitutes a Summary of Material Modifications (SMM) to the Children's Hospital & Research Center Oakland Summary Plan Description (SPD).





Open Enrollment
October 17-November 16
FOR CHILDREN'S BENEFITS
EFFECTIVE JANUARY 1, 2012



Benefiting
Together



Children's Hospital & Research Center Oakland
Human Resources
747 Fifty-Second Street
Oakland, CA 94609-1809

Visit HCOonline at www.healthcomp.com
to enroll by November 16th!