

2012 Benefits Summary

This applies to benefit eligible employees.

ALASKA REGION

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This is a summary of health care, retirement and other employee benefits provided by **Providence Health & Services in Alaska**. For a complete description of these and any other benefits available, including any **limitations and exclusions**, please refer to the appropriate policies and Summary Plan Descriptions.

Every effort has been made to ensure that the information contained in this Benefits Summary is correct and accurate. The information has been summarized from a contract, plan document, policy, or other official source, which governs its provisions and administration. ***In the event of any conflict between these summaries and the official documents, the official documents will govern.*** Please refer to the Agreement between PAMC and Alaska Nurses Association for more complete details of benefits available to nurses covered by the Agreement.

Providence Benefits Philosophy and Strategy

In order for Providence to achieve its business priorities and fulfill its mission, it is important to hire and retain people who reflect the organizational values and commitment to quality and to reward them for their contributions. The purpose of Providence's employee benefits is to be consistent with the Sisters of Providence philosophy and mission; protect against catastrophe; retain employees; allow employees to respond to work and personal life pressures and to attract prospective hires.

At least annually, Providence will review the benefits package to ensure its competitive position.

This summary is meant to be an easy reference for coverage options. Complete rules governing Providence health and welfare benefits can be found in the Summary Plan Description. The summary plan description (SPD) can be found on ProvConnect at www.providence.org/alaska/people/forms.htm. A copy of the SPD can be printed, or if you would like a paper copy, please contact your local Providence benefits team.

The Employee Benefits Team can be contacted directly at 212-6453 or toll-free at 800-478-9940 or e-mail Alaska.benefitsteam@providence.org

How to Enroll as a New Hire

New hire enrollment is an opportunity for employees to consider both benefits and lifestyle choices — do you have enough medical, life and disability coverage, or too much? Are there ways you can save more money?

Once benefit options have been reviewed and decided upon, it's time to enroll.

- Go to <https://provconnect.providence.org>
- Enter user ID and password
 - Don't remember your password? Contact the local help desk at (907) 212-3044.
- Click "New Hire" and then "New Hire Enrollment"
- Select benefit options
- Review choices and costs
- Click "finalize selection"
- Print Statement
- Update beneficiaries for life insurance

If You Do Not Enroll

Employees must enroll within 30 days of employment. If they do not enroll, benefits will be defaulted to the 500 deductible plan, no vision, and no dental. Employees will not be able to make any changes to benefits until the next open enrollment, unless a qualifying event as defined by the Plan occurs.

If new hire enrollment has been completed online, changes need to be made prior to your benefits begin date, HR should be contacted to complete the form prior to the benefits start date.

Benefits

Eligibility:

- a) All Regular Full-time employees with an FTE of .9 – 1.0; and
- b) All Regular Part-time employees with an FTE of .5 – .89

Employees become eligible the first of the month following 31 days of employment.

If employees are not covered by medical insurance elsewhere, they will be required to choose one of the options listed below.

Enrollment:

Enrollment information and election instructions will be provided to eligible employees. Employees must input their own elections by the date specified by the Benefits Department using <https://provcon.providence.org/lawson/portal/> from home or <http://provcon.providence.org/lawson/portal/> at work. Failure to input your healthcare elections within 30 days of your hire date will result in default coverage.

- 500 Deductible Medical Plan – employee only coverage, no dependents.
- No vision
- No dental

Once your elections have been updated online, an option to print a confirmation statement will be offered at that time. These can also be reviewed on-line after your effective date.

Open Enrollment:

Each employee will be given the opportunity to review their elections each year and make changes for the following plan year during the Annual Open Enrollment Period.

Benefits Costs

***24 contributions per year for all benefits**

2012 Health Plan Costs per Pay period

Medical Rates per pay period

Deductible	Employee Only	Employee + Children	Employee + ABR/Spouse	Employee + ABR/Spouse + Children
Full Time				
500	\$110.19	\$150.73	\$179.27	\$219.82
1250	\$57.73	\$72.39	\$100.56	\$115.23
Part Time				
500	\$151.29	\$212.11	\$240.91	\$301.75
1250	\$98.82	\$133.76	\$162.21	\$197.16

Vision Rates per pay period:

Vision	Employee Only	Employee + Children	Employee + ABR/Spouse	Employee + ABR/Spouse + Children
	\$1.73	\$2.58	\$2.48	\$3.53

Dental Rates per pay period:

Dental	Employee Only	Employee + Children	Employee + ABR/spouse	Employee + ABR/Spouse + Children
	\$6.10	\$9.75	\$12.20	\$15.85

ABR=Adult Benefit Recipient

Full time employee=.9-1.0 FTE

Part time Employee=.5-.89 FTE

Definitions

Usual & Customary Charges

Plan benefits are paid on the portion of the bill that is determined to be within usual and customary limits in the geographic area. Amounts billed over this limit are not covered by the benefit plan and are the patient's responsibility.

Participating Pharmacies

All medical plans include a prescription drug program. This allows you to have eligible prescriptions filled at any Participating Pharmacy for a co-pay amount of \$10.00 (generic), \$25.00 (formulary) or \$40.00 (brand name) up to each 30-day supply. Three (3) months may be obtained at the retail pharmacy at one time and you will be charged three (3) copays. Employees should present their card to the pharmacist at the time a prescription is filled.

If employees purchase prescriptions at the Medical Arts Pharmacy, located in the lobby of Providence Hospital, your co-pays will be \$10.00 (generic), \$20.00 (formulary) and \$35.00 (brand name). A \$100 deductible per member per calendar year may apply.

Providence Network Facilities/Out of Network Coverage

All Providence Medical Plan options require employees to use Providence Network Facilities. The plan will not pay for services rendered at a non-network facility in Alaska, unless specifically approved by the Medical Review Coordinator. In other words, there will be no plan payment when employees have treatment provided by a non-Providence facility for hospital, x-rays (diagnostic), infusion therapy, laboratory services, and any other service that can be performed by Providence. **Employees may see the physician of your choice, but must receive all other services from Providence for any plan payment in Alaska. (See Matrix on the following pages for more details and reductions for non-network Rehabilitative Therapies).**

Pre-authorization / Utilization Management

Pre-certification is required for any hospital admission, outpatient surgery, mental health or substance abuse treatment. Employees are required to call Qualis Health Plan at 1-800-783-8606 at least 48 hours prior to any elective hospital admission and within two days after an emergency hospitalization.

Coordination of Benefits

If an employee and/or their dependents are covered under more than one group health plan, the primary plan determines benefits first without regard to benefits provided under any other group health plan. When **this** plan is the secondary payer, the medical, dental and vision plans will coordinate payment with the primary plan in such a way that, when this plan's payment is combined with the primary plan's payment, the total does not exceed the amount this plan would have paid if it were primary.

Employees should make sure they fully understand the Providence coordination of benefits clause before enrolling dependents on the Providence plan that may be covered under another group health plan. See Page 5-5 in your Summary Plan Description for further details.

Definition of dependent:

- Your legally qualified spouse as defined by state law; **or**
- Your Adult Benefit Recipient; **and**
- Your children under age 26,
 - Your natural child, adopted child, or stepchild;
 - Your grandchild or foster child, or other children legally placed in your home and you are the legal guardian;
 - Children in your home pending adoption for whom you have legal guardianship;
 - Children over age 26 who are disabled and incapable of self-support, with disability beginning before the child's 26th birthday so long as they were on the Plan when they turned 26.

For Adult Benefit Recipients, the IRS may not allow a tax dependent status. Therefore, if an employee chooses to enroll an adult benefit recipient by selecting benefit coverage, he/she will be taxed the full value of the benefit and it will appear on their W-2 form as "imputed income".

Spouses who are eligible to participate in a group health plan sponsored by their own employer will not be eligible for coverage under the Providence Alaska health plan. Eligibility for a Federal health plan such as Medicare/Medicaid, Military (active duty and retired), or a Native American health plan will not cause a spouse to lose eligibility for coverage under the Providence Alaska health plan.

ProvSelect Comparison of Medical Plan Coverages - 2012			
Alaska Network:	Providence Alaska Medical Center, Day Surgery, Lab, X-Ray, Outpatient Rehab, Imaging Center, Imaging Assoc. of Providence, Creekside Surgery Center, Providence Cancer Center, Adolescent Treatment Center, Providence Family Medicine Center, Providence Behavioral Health Services, Breakthrough, Horizon House, In Home Services, Extended Care Center, Providence Matanuska-Susitna Valley, Providence Valdez Medical Center, Providence Seward Medical Center, Providence Kodiak Island Medical Center, Kodiak Mental Health, and all Physicians, ANPs, Dentists, Optometrists, Ophthalmologists, and all other Plan-recognized practitioners in the state of Alaska.		
Guidelines:	If you live in Anchorage, or within 35 miles of Anchorage, you must use the Alaska Network in order for claims to be covered at full benefit levels under ProvSelect		
Out of AK Network:	Any service that is available within the Alaska Network (i.e.inpatient, high tech imaging, rehab therapies, surgery, day surgery) that is performed at another facility, is considered out-of-network and is not paid for under ProvSelect or is paid at a reduced amount.		
Out of State/Out of Area Claims	Must use the Providence Preferred, First Choice & PHCS Networks for all services received out of state, or out of area, in order for claims to be covered under ProvSelect.		
	ProvSelect 500		Provselect 1250
Annual Deductible:	\$500/person	\$1500/family	\$1250/person \$3750/family
Annual Out of Pocket Maximum	\$2700/person	\$5400/family	\$4250/person \$8500/family
Lifetime Maximum	No Limit		No Limit
Plan Feature	Alaska Network	Out of AK Network	Out of State
The following Wellness items do not require your deductible to be met before services are paid.			
Adult Routine Physical Exam	Age 18+ 100% of U&C 1 per year	Same Benefit	Must use Providence Preferred, First Choice & PHCS Networks for full Plan benefits.
Routine OB/GYN Exam & Pap Smear	Age 18+ 100% of U&C 1 GYN exam and related fee for pap smear per year	Same Benefit	
Routine Prostate Cancer Screening	Age 40+ 100% U&C, 1 DRE per yr or 1 prostate-specific antigen/PSA, per yr	Same Benefit	
Well-Child Visits	100% U&C, 6 exams in 1st 12 mos of life; 3 exams in 13-24 mos; 1 exam per year thereafter through age 18.	Same Benefit	
Routine Eye Exams	100% of U&C charges; one per year.	Same Benefit	
Nutrition counseling	100% of U&C, 2 visits max per year	Same Benefit	
Routine Hearing Exam	\$250 maximum every three years. Hearing aids excluded.	Same Benefit	
Blood Panel for Wellness Screening	100% of U&C charges, no deductible. 1 per calendar year	Same Benefit	
Colorectal Cancer Screening Tests	Age 50+ 100% of U&C charges,initial & 1 every 5yrs[Colon or Sigmoid -oscopies]	Zero benefit if out of AK Network	
Mammography	100% 1 baseline screening for women 35-39 & yearly screening 40 and over.	Zero benefit if out of AK Network	
Lactation Benefit	\$250 lifetime maximum for supplies purchased for lactation. Two visits with a lactation specialist covered at 100% of U & C.	Same Benefit	Same Benefit
Tobacco Cessation	100% of U&C for smoke ending classes, patches and/or other medications prescribed by your physician. In addition, free personal coaching and support programs are provided to you through Staywell Health Management. Log on to https://providencealaska.online.staywell.com or call (800) 971-0682 to enroll. Same benefit applies out of state and out of network.		

ProvSelect Comparison of Medical Plan Coverages - 2012

Plan Feature	Alaska Network	Out of AK Network	Out of State
The following services are paid at U & C as indicated after your deductible has been met.			
Diagnostic Tests and Lab Work	80% of U & C.	Same Benefit	Must use Providence Preferred, First Choice & PHCS Networks for full Plan benefits. PHCS at 1-888-903-7427 or PHP at 1-800-221-7339
Office Visits	80% of U & C.		
Mental Health	80% of U & C.		
Office Visits	80% of U & C. No yearly visit limitation.		
Hospice Care	80% of U & C. 6 month benefit. See SPD.		
Durable Medical Equipment	80% of U & C. Doctor referral needed, prior authorization required over \$1500.		
Chiropractic	80% of U & C. Maximum 12 visits per year.		
Urgent Care	80% of covered charges.		
Prenatal Care	80% of U&C. Office visits not subject to deductible.		
Substance Abuse	80% of U & C.		
Rehabilitative Therapy Physical, Speech, & Occupational.	80% of U & C. Short term outpatient rehab up to 75 visits yearly in any combination of PT, ST, OT & Neurodevelopmental Therapy.	60% of U & C. Max 75 visits per year. PT, ST & OT.	PHP,PHCS,or First Choice networks as listed above.
Infertility Testing or Counseling	80% of U & C. \$500 maximum benefit per year.	Same Benefit for counseling	
High Tech Imaging(MRI, PET, CT, Nuclear Cardiology)	80% of U & C.	Zero benefit if out of AK Network	
Sleep Study	80% of covered charges.		
Home Health Care	80% of U & C. 130 visits per year maximum.		
Inpatient Care	80% of U & C.		
Emergency Room	80% of U & C.	Same Benefit Add'l \$100 copay unless admitted to the hospital.	80% of covered charges. Additional \$100 copay unless admitted to the hospital.
Emergency Room Co-pay	Additional \$100 will be assessed if you are treated in the ER and not admitted directly to the hospital or if the reason for the treatment is not a qualifying medical emergency. Qualifying medical emergencies are limited to a specific list of a diagnosis codes, one of which must appear as the primary diagnosis on the bill submitted for the reimbursement by the hospital or emergency facility.		
Prescription Drug Program:			
\$10 copay generic		\$1000 out-of-pocket maximum individual	
\$25 copay formulary*		\$2000 out-of-pocket maximum per family	
\$40 copay brand*			
*Your prescription copays are less if you use Medical Arts Pharmacy and Health Park Pharmacy at Providence.			
A \$100 deductible per member per calendar year may apply.			
Copay applies to each dispensing of medication up to a 30-day supply. You may purchase up to 3 months of medication at one time and be charged 3 copays at participating retail pharmacies.			
Mail Order Rx Drug program is available through Walgreen's or Postal Prescription Services. You may purchase up to 3 months of medication and you will only be charged 2 copays.			
For provider access while traveling, please contact the Providence Preferred, First Choice and PHCS networks: PHP if in OR/WA/AK at 1-800-221-7339. PHCS outside OR/WA/AK 1-888-903-7427.			
For prior authorization and inpatient admissions, contact 1-800-783-8606.			

Dental Benefits

Eligibility: (a) All Regular Full-time employees with an FTE of .9 – 1.0; and
 (b) All Regular Part-time employees with an FTE of .5 – .89

Deductible: \$50/person • \$150/family. The deductible does not apply to preventive services.

Benefits Provided:

<i>Type of Service</i>	<i>Benefits paid at</i>
Preventive:	100% up to plan maximums
Basic Benefits:	80%
Major Services:	50%
Crowns & Cast Restorations:	50%
Orthodontic Services:	50%, w/ an additional \$50 lifetime deductible
Annual Maximum:	\$2000
Lifetime Orthodontic max:	\$2000

Please refer to the Summary Plan Description for full details of coverage. Exclusions do apply.

Vision Benefits

Eligibility: (a) All Regular Full-time employees with an FTE of .9 – 1.0; and
 (b) All Regular Part-time employees with an FTE of .5 – .89

<i>Type of Service</i>	<i>Benefits paid at:</i>	<i>Frequency</i>
Eyewear	\$200.00 Maximum	Annually
Eye Exam	After \$45.00 co-pay, plan pays up to U&C (Participants of the medical plan will receive one exam with no co-pay required.)	Annually

If vision coverage is elected, one eye exam per year is allowed for each covered individual and \$200.00 towards frames, lenses and/or contacts per covered individual per year. Vision coverage does not cover laser surgery or other medically necessary eye surgeries (see your Summary Plan Description for details regarding medical coverage).

Basic Life and AD&D

Eligibility: (a) All Regular Full-time employees with an FTE of .9 – 1.0; and
(b) All Regular Part-time employees with an FTE of .5 – .89

Enrollment: Employees become benefit eligible the first of the month following 31 days of employment.

Benefit Coverage: \$25,000 coverage for non-exempt employees
\$50,000 coverage for exempt supervisory/professional exempt employees
\$75,000 coverage for exempt management employees
Two (2) times annual salary (not to exceed \$300,000) for physicians and executives

In the event of death while insured, benefits are paid to the beneficiary. Beneficiaries must be updated in Provconnect.

Providence Health & Services in Alaska pays 100% of Basic life and AD&D insurance premiums for employees.

Supplemental Employee Life Insurance

Eligibility: (a) All Regular Full-time employees with an FTE of .9 – 1.0; and
(b) All Regular Part-time employees with an FTE of .5 – .89

Effective: Employees become benefit eligible the first of the month following 31 days of employment.

Benefit Coverage: Supplemental life insurance program offers incremental coverage up to \$1,000,000. Amounts elected over \$100,000 must not exceed six (6) times your base annual salary.

Claims Submission - To submit claims, please contact the Human Resources Department.

Benefits are payable to a beneficiary, in the amount of chosen life insurance, if an employee dies while insured. If an employee becomes totally and permanently disabled while insured prior to age 60, the amount of the Supplemental Life Insurance in force at that time will be continued without cost upon request, after a 12 month waiting period, until normal retirement date (age 65). If an employee is disabled after age 60, the waiver of premium is not available.

Employee premiums are based on the age of the employee as of 12/31/2012, and amount of coverage elected.

- ***During original enrollment, life insurance is offered in amounts up to 4 times employee's annual salary. Amounts great than that requires a statement of health(SOH)***
- ***Subsequent changes in enrollment limit employees to a \$20,000 increase up to the maximum allowable amount additional coverage requests will require the statement of health be approved.***

Supplemental AD&D for Employee, Spouse & Children

<i>Eligibility:</i>	(a) All Regular Full-time employees with an FTE of .9 – 1.0; and (b) All Regular Part-time employees with an FTE of .5 – .89
<i>Effective:</i>	Employees become benefit eligible the first of the month following 31 days of employment.
<i>Benefit Coverage:</i>	Supplemental Accidental Death and Dismemberment Plan offers coverage in incremental amounts up to \$1,000,000 for employees and \$500,000 for spouses. Maximum coverage for children is \$10K

Supplemental Accidental Death and Dismemberment is available to provide additional benefits in the event of death, dismemberment, or paralysis in an accident. Coverage is provided on a graduated schedule for loss of life, limbs, senses, or paralysis of limbs. See Summary Plan Description for details. Amounts elected over \$100,000 must not exceed ten (10) times your annual salary.

Employee premiums are based on the amount of coverage elected.

Claims Submission - To submit claims, please contact the Human Resources Department.

Dependent Life Insurance

<i>Eligibility:</i>	(a) All Regular Full-time employees with an FTE of .9 – 1.0; and (b) All Regular Part-time employees with an FTE of .5 – .89
<i>Enrollment:</i>	Employees become benefit eligible the first of the month following 31 days of employment.
<i>Benefit Coverage:</i>	Dependent Life Insurance program offers \$10,000 of coverage for each dependent child and Spouse coverage in incremental amounts up to \$500,000.

Coverage up to \$50,000 for your spouse (and \$10,000 for your children) is available without the purchase of Supplemental Employee Life Insurance. Spouse coverage in excess of \$50,000 is subject to approval of Statement of Health.

Premiums are based on dependant's age as of 12/31/2012, and amount of coverage elected.

Please note that Dependent Life Insurance Premiums are not pre-tax.

- Children only coverage is \$.45 per pay period
- Children are eligible to age 26 as long as they meet the dependent criteria per definition of the insurance carrier and they are unmarried.
- Statement of health is required for any amounts elected over \$50,000.
- ***Claims Submission*** - To submit claims, please contact the Human Resources Department.

Long Term Disability

Eligibility: (a) All Regular Full-time employees with an FTE of .9 – 1.0; and
(b) All Regular Part-time employees with an FTE of .5 – .89

Benefit Coverage: The Long-term Disability program offers four (4) levels of Coverage. The employee's premium is based on age and income. Each employee is required to choose one of these levels of coverage; the first level of coverage is at no cost to the employee*.

Amount of coverage	Waiting period/ benefit continuation
50% of Pre-disability Earnings*	180 day wait / 5 years
60% of Pre-disability Earnings	180 day wait / to age 65
66 2/3% of Pre-disability Earnings	180 day wait / to age 65
60% of Pre-disability Earnings	90 day wait / to age 65

The Long-term Disability Plan benefit helps replace a portion of pay if an employee is not able to work due to a disability. The Plan provides that, in the event an employee becomes disabled, he/she will receive a total monthly income from all sources that is at least equal to the selected percentage of pre-disability earnings at the time of disability, to a maximum of \$10,000 per month.

Claims Submission - To submit claims, please contact the Human Resources Department

**Please note that employee paid Long-term Disability Insurance Premiums are collected post-tax.*

Health Care Flexible Spending Account

The Health Care Flexible Spending Account (FSA) allows employees to pay for health care services not covered by the Medical, Dental, and Vision plans on a pre-tax basis. You fund your flexible spending account each pay period. The account will reimburse employees for eligible health care expenses in a calendar year. Participation in the Health Care Flexible Spending Account is completely optional. Employees may contribute any amount from \$120 to \$5000 per year.

If employees elect to participate in the FSA plan, they will have an extra 2.5 months to use up 2012 election money. This means that any amount elected for 2012 can be "spent" up until March 15, 2013, giving more time to use 2012 elections. **If there is a balance in the account three (3) months after year-end, federal law requires that it must be forfeited.**

Dependant Care Flexible Spending Account

If employees are paying for childcare or other dependent care services, Dependent Care Flexible Spending Accounts can be used to pay for day care costs in a tax effective manner. Employees save money on taxes by setting this amount aside, on a pre-tax basis. The flexible spending account is funded each pay period. The account will then reimburse employees for eligible day care expenses in a calendar year. Participation in the Dependent Care Flexible Spending Account is completely optional. Employees may contribute any amount from \$120 to \$5000 per year. In general, the Dependent Care Flexible Spending Account stays fixed for the entire plan year. However, if family circumstances change significantly, the election amount may be changed before the next annual enrollment. Please refer to the Summary Plan Description for more information. **If there is a balance in the account three (3) months after year-end, federal law requires that it must be forfeited.**

Vacation

Eligibility: (a) All Regular Full-time employees with an FTE of .9 – 1.0; and
 (b) All Regular Part-time employees with an FTE of .5 – .89

Enrollment: Vacation is accrued bi-weekly from date of hire and **eligible for use the first pay period following three (3) months of continuous employment.**

Benefit: The vacation program was developed to provide you with more flexibility and choice regarding why and when employees take time off from work.

Vacation is used for vacations, holidays, and illness or to meet personal needs. Vacation accruals are based on length of employment, employment status, and the number of paid hours. The accrual is prorated if the paid hours are less than 80 per pay period. Holiday hours are included in Vacation hours. All unused Vacation will be paid out upon separation. Accrual rates below are based on 1.0 FTE:

Non Exempt Employees		Exempt Employees		Holidays Observed
Length of Service	Accrual Rate	Length of Service	Accrual Rate	New Year's Day
0-1 year	128 hours/16 days/yr	0-3 years	216 hours/27 days/yr	Good Friday
1-2 years	192 hours/24 days/yr	4-5 years	232 hours/29 days/yr	Memorial Day
3-4 years	216 hours/27 days/yr	6-7 years	248 hours/31 days/yr	Independence Day
5-6 years	232 hours/29 days/yr	8 + years	264 hours/33 days/yr	Labor Day
7-9 years	248 hours/ 31 days/yr			Thanksgiving Day
10+ years	264 hours/33 days/yr			Christmas Day

One Year Anniversary

Eligible non-exempt employees will receive an additional 24 hours vacation accrual (pro-rated based on FTE) deposited into their vacation bank on the pay period following their one-year anniversary date of hire.

Maximum Accrual

Vacation accruals “roll” from year to year. What this means to you is that any unused vacation hours at the end of the year will “roll” to the next year; thus giving the opportunity for employees to build vacation hours to a maximum level of 320 hours. Additional vacation time will not be accrued once the maximum level has been reached. Please refer to Regional Policy **#R610.014** for further information, or union contracts if applicable.

Sick Leave

Eligibility: (a) All Regular Full-time employees with an FTE of .9 – 1.0; and
 (b) All Regular Part-time employees with an FTE of .5 – .89

Enrollment: Sick leave is accrued bi-weekly from your date of hire and **eligible for use the first pay period following three (3) months of continuous employment.**

Benefit: Sick leave accruals are based on the number of paid hours. The accrual is prorated if the paid hours are less than 80 per pay period.

The sick leave has been established to provide eligible employees financial protection against illness or injury. Sick Leave accrues at a rate of 64 hours per year, pro-rated if an employee works less than 80 hours per pay period. The maximum Sick Leave accrual is 1040 hours.

Sick leave is available for use starting on the first day of an illness for the first four (4) shifts taken each year for the illness of the employee or a child. Additional time off for illness will require the use of two days of vacation prior to using sick leave. Sick leave may be used on the first day of an illness if employee is hospitalized or in day surgery. A partial payout of sick leave hours may be available upon separation based on hours accrued. Please refer to Regional Policy **#R610.010** for further information or the AaNA, if applicable.

Bereavement Leave

- Eligibility:** (a) All Regular Full-time employees with an FTE of .9 – 1.0; and
(b) All Regular Part-time employees with an FTE of .5 – .89
- Enrollment:** Effective following three (3) months of continuous employment.
- Benefit:** Employees are granted up to three (3) shifts of compensation(not to exceed 24 hours), based on the employee's scheduled hours missed from work per occurrence. Employees can take an additional two (2) shifts using their own vacation hours to extend their paid time off. Employees are compensated at their normal base rate of pay.

In the event of the death of an immediate family member, the bereavement leave policy gives employees the security of continuing income while attending to family responsibilities and personal needs. Immediate family members qualifying under this policy are: spouse, father, mother, sister, brother, child, legal dependent, grandchild, grandparent, son/daughter in-law, stepparent, stepchild, and mother/father in-law.

Please refer to the Regional Policy **#R610.006** for further information and eligibility

Military Leave

In keeping with the philosophy and mission of Providence Health & Services, Providence Health & Services in Alaska provides time off for active military duty and reserve military duty as required under applicable federal and state statutes.

Please refer to the Regional Policy **#R610.011** for further information and eligibility.

Family Medical Leave Act (FMLA)

Eligible employees may receive time off work to care for their own illness or in support of their immediate family members. Eligible employees are those individuals who have been employed with Providence Health & Services in Alaska for twelve months and for at least 1250 paid hours in the last twelve months; and the twelve month period is measured forward from the first day leave is used.

An employee may request or be granted a Family and Medical Leave of Absence for any of the following reasons:

1. The birth of a child;
2. The placement of a child with an employee for adoption or foster care;
3. To care for a spouse, child, or parent with a serious health condition;
4. An employee's own serious health condition (including work related illness or injury), which renders the employee unable to perform the essential functions of the position.
5. Other qualifying events as defined by the FMLA.

For additional information regarding the FMLA Policy, please refer to the Regional Policy **#R610.008**.

If an employee does not qualify for FMLA during the first year, and they experience a personal emergency requiring an absence from work, HR Employee Relations should be contacted, as other policies may provide additional options.

Retirement Programs

401(a) Service Plan

- Eligible and Vesting:** Employees are automatically enrolled if you work at least 1,000 hours in the prior year. You are vested in your 401(a) account after you have worked five (5) years with at least 1,000 hours during each of those calendar years.
- Benefit:** The 401(a) is the foundation of the Providence retirement program and is funded entirely by Providence. Providence makes an annual pay credit to an employee's account based on years of service. Once an employee becomes vested in, or "owns", their 401(a) account balance, the benefit is completely portable.
- Highlights:** Each year Providence will make an annual contribution to your account that increases with your years of service
- With 0-9 years of service, you will receive 3% of your eligible pay
 - With 10-14 years of service, you will receive 5% of your eligible pay
 - With 15 years or more of service you will receive 6% of your eligible pay
- The ability to track the value of the benefit – and the value of the benefits in the overall Retirement Program through annual statements – is available through the Road2Retirement website (R2R) at <https://r2r.providence.org> .

The Providence 401(a) Plan is designed to provide income after retirement and is completely funded by Providence Health & Services. Once vested, employees are entitled to receive a benefit from the 401(a) Plan at retirement, whether or not continuing to work. For more information on the 401(a) plan, please contact the System Retirement Office at (866) PROVR2R / (866) 776-8727 and then press or say '1' from either the English or Spanish menus.

403(b) Value Plan

The Providence Value Plan is designed to provide employees with a tax-deferred way to save for retirement. The Value Plan is an investment plan where employee pre-tax contributions are regularly invested and accrue earnings/losses based on the employee's individual investment selections. Value Plan contributions are excluded from current income for calculation of federal and most state tax withholding. All contributions are automatically deducted from an employees' paycheck and directly deposited into the investment fund(s) selected by the employee.

- Eligibility:** Eligible to enroll after you receive your first paycheck
- Benefit:** Employees may defer between 1% and 75%, in whole numbers, not to exceed \$17,000 of their income in 2012, on a pre-tax basis, to the 403(b) Value Plan
- Vesting:** Vesting is ownership – the employee's right to receive a benefit from the plan when they terminate employment. Employees are always 100% vested in their 403(b) Plan Account. In other words, as a plan participant, employees always own the full value of their 403(b) account. If they leave Providence before they retire, they own the value of their account.

If an employee has been with Providence for 15 years or more, or will turn age 50 or more during the plan year, that employee may be able to increase the amount they are eligible to contribute by taking advantage of one or both of the Plan's Catch-Up provisions. Please see the Road2Retirement website <https://r2r.providence.org> , or call the System Retirement Office for more detailed information. Certain lifetime catch-up limits may apply.

- Making Changes:** Account transactions including changing a contribution percentage, electing a primary and/or secondary beneficiary, performing a future projection, or requesting a distribution can be done online at <https://r2r.providence.org> . Redirecting existing account balances (also known as performing an exchange) can be done at <http://fidelity.com/atwork> .

- Loans:** While employed at Providence, employees may borrow up to half of the balance through payroll deduction in their Value Plan account – generally up to \$50,000. Employee’s repay their loan with interest. The interest rate is set when the loan is initiated, and paid back into the balance of their account..
- Distribution:** Employees may receive payment from their 403(b) account after (1) they reach 59 ½ years of age, (2) their employment ends, (3) death (payable to the employees beneficiary), or (4) disability. If an employee leaves their account balance in the plan, Providence pays all administrative fees. Value Plan distributions are qualified for direct rollover, single lump sum, systematic withdrawals or specified method.

Value Plan – Employer Match

The Match Plan is designed to provide employees with income after their retirement and to encourage participation in the Providence 403(b) Value Plan. When eligible employees participate in the Providence 403(b) Value Plan, Providence will make a contribution to the Match Plan on their behalf. These contributions and earnings are not taxable until distributed.

- Eligibility:*** Employees contributing to the Providence 403(b) Value Plan.
- Enrollment:*** Automatic with employee enrollment to the 403(b) Value Plan.
- Match Benefit:*** Providence Health & Services will contribute to your account a match that increases the longer you stay with Providence. For employees with less than 5 years of service, Providence will match up to half of the first 3% of pay you save. For employees with at least 5 years of service, but less than 10, the match is half of the first 4.5% of pay you save. If you have 10 or more years of service, Providence matches half of the first 6% of pay you save. Providence match contributions are deposited on a per pay period basis.
- Vesting:*** Employees are always immediately vested in their Matching Plan.
- Making Changes:*** Account transactions, including changing a contribution percentage, electing a primary and/or secondary beneficiary, performing a future projection, or requesting a distribution can be done online at <https://r2r.providence.org> . Redirecting existing account balances (also known as performing an exchange) can be done at <http://www.fidelity.com/atwork> .
- Distribution:*** Employees may receive payment from their match account after (1) they reach 59 ½ years of age, (2) their employment ends, (3) death (payable to the employees beneficiary), or (4) disability. If an employee leaves their account balance in the plan, Providence pays all administrative fees. Value Plan distributions are qualified for direct rollover, single lump sum, systematic withdrawals or specified method.

Deferred Compensation 457(b) Plan

The 457(b) Plan is a non-qualified savings plan that allows employees to contribute additional contributions on a before-tax basis after first maximizing their contributions to the 403(b) Value Plan each year.

Eligibility: All employees of any Providence Health & Services entity that sponsors the 403(b) Value Plan are eligible to enroll in the plan as long as they elect to contribute or have already contributed the IRS annual maximum to the 403(b) Value Plan in the current year (\$17,000 for 2012).

Enrollment: Employees may defer between 1% and 100% of their eligible income, not to exceed \$17,000 in 2012.

Benefit: In 2012, the 457(b) Plan allows an employee to make up to an additional \$17,000 in contributions, on a before-tax basis. That means an employee can contribute up to \$34,000 of their total eligible pay in 2012, by contributing to both the 403(b) Value Plan and the 457(b) Plan. In addition, the 457(b) Plan offers the same investment funds as the 403(b) Value Plan.

Vesting: Vesting is ownership – An employee’s right to receive a benefit from the plan when they terminate employment. Employees are always 100% vested in their 457(b) Plan account. In other words, as a plan participant, employees always own the full value of their 457(b) account.

Making Changes: Account transactions, including changing a contribution percentage, electing a primary and/or secondary beneficiary, performing a future projection, or requesting a distribution can be done online at <https://r2r.providence.org> . Redirecting existing account balances (also known as performing an exchange) can be done at <http://www.fidelity.com/atwork> .

Distribution: Employees may receive their 457(b) Plan benefits when they end their employment with Providence for any reason, retire, or die (in this case, the beneficiary receives the benefits).

Upon termination or retirement, an employee has **60 days** to elect how to receive their 457(b) account balance. Employees are able to select from the following 3 distribution options:

Single Lump Sum Payment – A lump sum payment is a single cash payment of the total value of the Plan. A lump sum payment is taxable upon distribution.

Systematic Withdrawals – Ongoing payments that can be set up in 2 ways:

Specific Dollar Method – A specific amount set by the employee, to be paid in monthly, quarterly, or annual installments; or

Specific Period Method – Distributing an employee’s account over a set period of time (to be determined by the employee) in equal monthly, quarterly, or annual installments, with a specific beginning and ending date.

Future Dated Distribution – Where an employee elects to leave their 457(b) money invested in the Plan, and receives it a later date. The election may not exceed ten years following the date of the employee’s termination/retirement date. This future date must be specified by the employee within 60 days of their initial termination. The date specified may not be changed once the Distribution Application has been approved and processed.

Important Contacts

Providence Health Plan (PHP)

PO BOX 4447
Portland, OR 97208-4447
Customer Service: 1-800-221-7339
www.providence.org/health_plans

Delta Dental – Washington Dental Service

PO BOX 75688
Seattle, WA 98175
Customer Service: 1-800-554-1907
www.deltadentalwa.com

Wage Works

Mail claims to: PO Box 14053
Lexington, KY 40512
FSA : 1-877-WageWorks (924-3967)
COBRA: (877) 430-5519
www.wageworks.com

Walgreens Healthcare Plus

P.O. Box 29061,
Phoenix, AZ 85038
Customer Service: 1-800-635-3070
Refills by Phone: 1-800-797-3345
www.walgreensmail.com

LifeBalance Program

8083 SE 13th Avenue, Suite 4
Portland, OR 97202
Customer Svc: 1-888-754-5433
Fax: 1-503-234-1620
www.Lifebalanceprogram.com

Road to Retirement

1801 Lind Ave. SW, #9016
Renton, WA 98057-9016
Customer Service – 1-866-776-8727
<https://r2r.providence.org>

Magellan Health

Customer Service – 1-800-478-2812
www.magellanhealth.com

Staywell

Customer Service - 1.800.971.0682
Fax number 1-800-773-0037

Providence Benefits Connection Line

907-212-6453 or 1-800-478-9940

(Medical, Pharmacy & Vision Plans)

Group #105535
ID# *this is a unique number*
Call PHP for lost card replacement

(Dental Plan Claims/Questions)

Group #09123
ID# *is your Social Security Number*
Cards are available online

(FSA Healthcare & Daycare Accounts)

Card is unique MasterCard

(Mail-Order Prescriptions)

Prior Authorization List, Formulary,
List and Forms Available online

(Recreational & Cultural Benefit Discounts)

(Retirement Questions)

(Including 401a, Value, Catch-up, and 457b)

(Employee Assistance Program)

(I Choose Health, Pre-cert, Health Advice Line)

(Your Alaska Benefits Team)

alaska.benefitsteam@providence.org

Important Notice About Your Prescription Drug Coverage and Medicare with Providence Health & Services – Alaska Region

Please read this notice carefully and keep it where you can find it. This notice has information about your current prescription drug coverage with Providence and about your options under Medicare's prescription drug coverage. This information can help you decide whether or not you want to join a Medicare drug plan. If you are considering joining, you should compare your current coverage, including which drugs are covered at what cost, with the coverage and costs of the plans offering Medicare prescription drug coverage in your area. Information about where you can get help to make decisions about your prescription drug coverage is at the end of this notice.

There are two important things you need to know about your current coverage and Medicare's prescription drug coverage:

1. Medicare prescription drug coverage became available in 2006 to everyone with Medicare. You can get this coverage if you join a Medicare Prescription Drug Plan or join a Medicare Advantage Plan (like an HMO or PPO) that offers prescription drug coverage. All Medicare drug plans provide at least a standard level of coverage set by Medicare. Some plans may also offer more coverage for a higher monthly premium.

2. Providence has determined that the prescription drug coverage offered 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.

When Can You Join A Medicare Drug Plan?

You can join a Medicare drug plan when you first become eligible for Medicare and each year from October 15th to December 7th.

However, if you lose your current creditable prescription drug coverage, through no fault of your own, you will also be eligible for a two (2) month Special Enrollment Period (SEP) to join a Medicare drug plan.

What Happens To Your Current Coverage If You Decide to Join A Medicare Drug Plan?

If you decide to join a Medicare drug plan, your current Providence coverage will not be affected but is subject to the Plan's coordination of benefits rules.

If you do decide to join a Medicare drug plan and drop your current Providence coverage, be aware that you and your dependents may not be able to get this coverage back.

When Will You Pay A Higher Premium (Penalty) To Join A Medicare Drug Plan?

You should also know that if you drop or lose your current coverage with Providence 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.

For More Information About This Notice Or Your Current Prescription Drug Coverage...

Contact Human Resources at (907) 212-6400. NOTE: You'll get this notice each year. You may also get it before the next period you can join a Medicare drug plan, and if this coverage through Providence changes. You also may request a copy of this notice at any time.

For More Information About Your Options Under Medicare Prescription Drug Coverage

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

For more information about Medicare prescription drug coverage:

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

If you have limited income and resources, extra help paying for Medicare prescription drug coverage is available. For information about this extra help, visit Social Security on the web at www.socialsecurity.gov, or call them at 1-800-772-1213 (TTY 1-800-325-0778).

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

Date: September 1, 2011

Name of Entity/Sender: Providence Health & Services – WA dba Providence Health & Services System Office (includes Alaska, Montana and Washington Regions)

Contact – Position/Office: System Director, Compensation, H&W Benefits, HR Operations Service Delivery

Address: 1801 Lind Ave. SW#9016, Renton WA 98057

Phone Number: (425) 525-3137

Important Notices About Your Rights

Notice of Rights under The Women's Health and Cancer Rights Act of 1998 (WHCRA)

The Providence plans comply with the WHCRA with respect to health benefits provided under each plan. If you elect breast reconstruction in connection with a mastectomy, coverage is available in a manner determined in consultation between the patient and the attending physician. Benefits available under the Providence Health & Services self-insured plans include:

- Reconstruction of the breast on which the mastectomy was performed;
- Surgery and reconstruction of the other breast to produce a symmetrical appearance; and
- Prostheses and treatment of physical complications of all stages of the mastectomy, including lymphedemas.

This coverage will be subject to the same annual deductibles and coinsurance provisions that apply for medical and surgical benefits covered under the plan. You and your attending physician will determine the need for benefits following mastectomy. They are not subject to utilization review.

You can also read about your rights if you need to resolve a problem and your rights under the Employee Retirement Income Security Act of 1974 (ERISA).

Notice of Rights under the Health Insurance Portability and Accountability Act (HIPAA)

The privacy rules under the Health Insurance Portability and Accountability Act (HIPAA) require the Providence Health & Services Employee Group Plan, Employee Assistance Plan (EAP) and Prescription Discount Program (the Plans) to periodically send a reminder to participants about the availability of the Plans' Privacy Notice and how to obtain that notice. The Privacy Notice explains participants' rights and the Plans' legal duties with respect to protected health information (PHI) and how the Plans may use and disclose PHI.

To obtain a copy of the Privacy Notice contact your local Providence benefits staff. You may also contact your local Providence Privacy Official for more information on the plans' privacy policies or your rights under HIPAA.