



Benefits

2010 Employee Guide

Introduction

This booklet is a summary of the benefits available to you as an employee of the St. Cloud Hospital. The benefits you are eligible for are determined by your hired status. Although this booklet contains plan information, it is not the official contract or plan document. The extent of coverage or benefits for each participant is governed at all times by the official contract, plan document or policy. The Hospital maintains the right to amend, alter or change a benefit program during this or subsequent years. Questions regarding employee benefits may be referred to the Human Resources Department.

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CentraCare Health System Medical Plan

ELIGIBILITY

If you are hired to work at least 16 hours per week, you and your dependents are eligible for medical benefits on the first of the calendar month coinciding with or following your first day of work or change to an eligible status. Premium payments are payroll deducted on a biweekly basis and begin on the first paycheck in the month coverage is effective. The premium you pay is only a portion of the total cost of your medical insurance.

You have 30 days from your first day of work or change to an eligible status to enroll in the medical plan. You must complete a benefit enrollment form and submit it to the Human Resources Department. If you enroll your dependents (spouse/children), Social Security numbers and dependent verification will be required. If you terminate employment or go to an ineligible status, you will be eligible for COBRA extension (see pages 27-28 for more details).

If you do not enroll in the medical plan when first eligible, you and/or your family will only be eligible to enroll in the plan if you have a life-changing event. Life-changing events include change from ineligible status to eligible status, loss of coverage through another plan, marriage, birth of a child, adoption, divorce, separation, or change in full-time student status. Enrollment due to a life-changing event must be done within 30 days of the event. Changing from regular part-time to full-time is not a life-changing event.

In keeping with our Hospital philosophy, coverage for abortion and sterilization procedures is not included.

HOW THIS PLAN WORKS

You receive the highest level of benefits when you visit a Tier I provider. Tier I and Tier II participating providers are listed in the Provider Directory. Any of the Tier I providers will coordinate your care, either by providing the care or referring you to Tier II or Tier III providers.

Emergency services (including urgent care centers, emergency rooms and ambulance transportation) are covered 24 hours a day 7 days a week no matter where you are or when it's needed. If you have questions or need additional information, please contact MMSI Customer Service toll-free at 1-877-285-9920.

SUMMARY INFORMATION

The CentraCare Health System Medical Plan is administered by MMSI, a subsidiary of Mayo Foundation, operating under contract to CentraCare. MMSI processes your claims, manages your provider network and answers your benefit and plan questions. Visit MMSIservices.com to view your account. The Human Resources Department answers your provider, enrollment, eligibility and other benefit questions.

The pages that follow present a brief explanation of the services and benefits of the CentraCare Health System Medical Plan. They are not intended to provide full details. For detailed information, please refer to the Summary Plan Description (SPD) which will be provided to you when you enroll.

If there are any inconsistencies between this document and the SPD, the SPD is the document that will be relied upon for plan administration and is the document that governs the benefits available.

If you have any questions about the plan, please contact Customer Service at 1-877-285-9920 (TDD, 1-800-407-2442).

Medical Plan

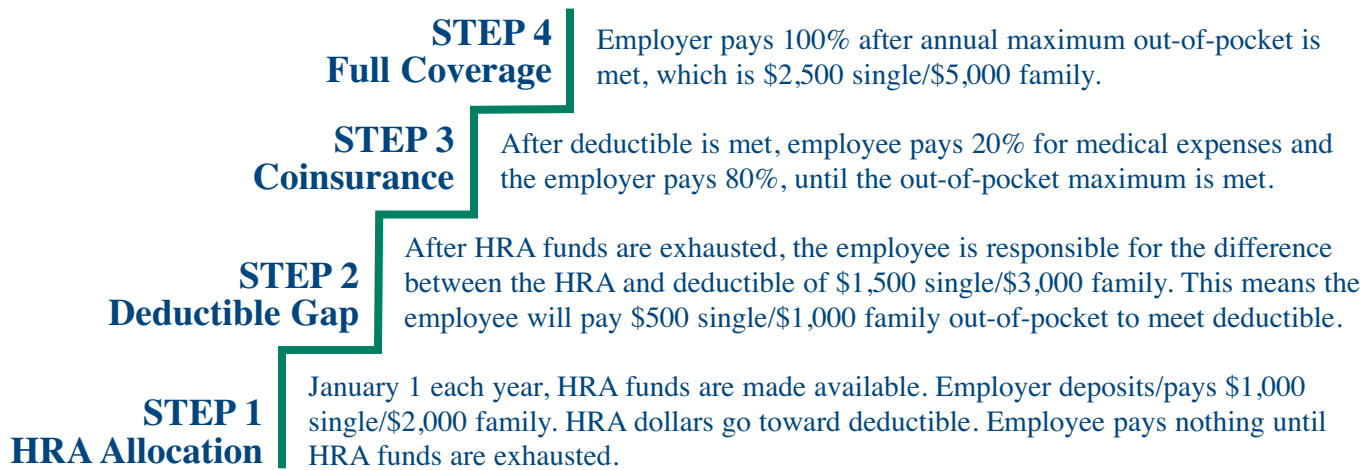
HEALTH REIMBURSEMENT ACCOUNT (HRA) / \$1,500 DEDUCTIBLE PLAN

HOW THE HEALTH REIMBURSEMENT ACCOUNT (HRA) WORKS:

The HRA is completely funded by the employer. The annual contribution to the HRA, which is funded at the beginning of each calendar year, is \$1,000 for single or \$2,000 for family (employee + children, employee + spouse, or employee + family). The HRA is pro-rated for those employees who enroll during the year.

As claims are incurred, they are processed through the \$1,500 Deductible Plan and then through the HRA. When the HRA dollars are used up, employees will have out-of-pocket expenses unless you have HRA dollars from a previous year. The maximum out-of-pocket expenses per year for the HRA/\$1,500 Deductible Plan is \$2,500 for single or \$5,000 for family. HRA dollars will help offset the maximum out-of-pocket expenses. Unused HRA dollars carry over from year to year to help cover future out-of-pocket expenses.

HRA/ \$1,500 DEDUCTIBLE PLAN MODEL



HRA/ \$1,500 DEDUCTIBLE PLAN RATES

FULL-TIME	(Biweekly)	(Annual)
Employee only	\$8.00	\$208.00
Employee + Children	\$16.00	\$416.00
Employee + Spouse	\$18.00	\$468.00
Employee + Family	\$30.00	\$780.00
PART-TIME	(Biweekly)	(Annual)
Employee only	\$72.00	\$1,872.00
Employee + Children	\$129.00	\$3,354.00
Employee + Spouse	\$143.00	\$3,718.00
Employee + Family	\$237.00	\$6,162.00

The grid on the following two pages summarizes the coverage of the \$1,500 Deductible Plan.

**Health Reimbursement Account (HRA) / \$1,500 Deductible Plan
HRA ANNUAL EMPLOYER CONTRIBUTION = \$1,000 SINGLE / \$2,000 FAMILY – PRORATED FOR MID-YEAR ENROLLEES**

	TIER I	TIER II	TIER III
PARTICIPATING PROVIDERS:	CentraCare Clinic St. Cloud Hospital Long Prairie Memorial Hospital CentraCare Affiliates CentraCare Pharmacies Others Contracted	MMSI Network - (includes Mayo Clinic, Mayo Health System and other MMSI-contracted providers) SXC Pharmacies HSM Chiropractic Network	Out-Of-Network
BENEFIT	(Tier I benefits with a referral)	(Tier I benefits with a referral)	(Tier I benefits with a referral)
1. PREVENTIVE CARE			
Routine preventive exams (as determined by your doctor)	80% (no deductible)	70% (no deductible)	60% after deductible
Well-child care (from birth to age six)	80% (no deductible)	70% (no deductible)	60% after deductible
Prenatal exams	80% (no deductible)	70% (no deductible)	60% after deductible
Immunizations	80% (no deductible)	70% (no deductible)	60% after deductible
Routine hearing exams (one/year)	80% (no deductible)	70% (no deductible)	60% after deductible
Routine vision exams (one/year)	80% (no deductible)	70% (no deductible)	60% after deductible
2. PHYSICIAN, PROFESSIONAL AND RELATED OFFICE VISITS			
Primary care	80% after deductible	70% after deductible	60% after deductible
Specialist	80% after deductible	70% after deductible	60% after deductible
In-office surgery/procedures	80% after deductible	70% after deductible	60% after deductible
3. OUTPATIENT DIAGNOSTIC TESTS			
MRIs and CT scans	80% after deductible	70% after deductible	60% after deductible
Other diagnostic x-ray, lab and tests	80% after deductible	70% after deductible	60% after deductible
4. URGENT CARE	80% after deductible	80% after deductible	80% after in-network deductible
5. EMERGENCY ROOM CARE	80% after deductible	80% after deductible	80% after in-network deductible
6. HOSPITAL INPATIENT SERVICES (includes semi-private room, medication and drugs, nursing care, operating room, and anesthesia)	80% after deductible	70% after deductible	60% after deductible
7. HOSPITAL OUTPATIENT SERVICES (includes operating room, invasive surgery, chemotherapy, radiation therapy, and pathology)	80% after deductible	70% after deductible	60% after deductible
8. AMBULANCE	80% (no deductible)	80% (no deductible)	80% (no deductible)

<p>9. PRESCRIPTION DRUGS</p> <p>Outpatient</p> <p>Diabetic Supplies (includes 100 syringes, or 200 lancets, or 50 test strips)</p> <p>Injectables (including insulin)</p> <p>Allergy shots</p> <p>Tobacco cessation</p>	<p>\$5 generic drug \$30 brand name drug \$50 non-formulary drug 34 day supply - 1 copayment 68 day supply - 2 copayments 102 day supply - 3 copayments Mayo Formulary</p> <p>\$10 per item 80% (no deductible) 80% after deductible 80% (no deductible)</p> <p>Covered at 80% (no deductible) Covered at 80% (no deductible)</p> <p>80% after deductible Tier II benefit applies</p> <p>80% after deductible up to max of 180 days/year 80% after deductible</p> <p>80% after deductible up to max of 180 days/lifetime</p> <p>80% after deductible</p>	<p>\$10 generic drug \$35 brand name drug \$60 non-formulary drug 34 day supply - 1 copayment 68 day supply - 2 copayments 102 day supply - 3 copayments Mayo Formulary</p> <p>\$13 per item 70% (no deductible) 70% after deductible 70% (no deductible)</p> <p>Covered at 80% (no deductible) Covered at 80% (no deductible)</p> <p>70% after deductible 80% after deductible</p> <p>70% after deductible up to max of 180 days/year 70% after deductible 70% after deductible up to max of 180 days/lifetime</p> <p>70% after deductible</p> <p>70% after deductible of allowed amt. for chemical dependency treatment. 70% after deductible per mental health office visit</p> <p>\$1,500/person \$3,000/family</p> <p>\$2,500/person; \$5,000/family Applies to Tier I and Tier II \$1,000/person, \$2,000/family</p>	<p>Not covered at non-network pharmacist (unless for an emergency, then Tier II benefits apply)</p> <p>Not Covered (unless emergency) 60% after deductible 60% after deductible Not Covered (unless emergency)</p> <p>Covered at 80% (no deductible) Covered at 80% (no deductible)</p> <p>60% after deductible 60% after deductible</p> <p>60% after deductible up to max of 180 days/year 60% after deductible 60% after deductible up to max of 180 days/lifetime</p> <p>60% after deductible</p> <p>60% after deductible of allowed amt. for chemical dependency treatment. 60% after deductible per mental health office visit</p> <p>\$1,750/person \$3,500/family</p> <p>\$3,500/person; \$7,000/family Applies to Tier III only None</p>
<p>10. MEDICAL DEVICES AND EQUIPMENT</p> <p>Prosthetics (orthotics)</p> <p>Durable medical equipment (Combined \$10,000 maximum/year)</p>	<p>Covered at 80% (no deductible) Covered at 80% (no deductible)</p>	<p>Covered at 80% (no deductible) Covered at 80% (no deductible)</p>	<p>Covered at 80% (no deductible) Covered at 80% (no deductible)</p>
<p>11. OUTPATIENT REHABILITATION SERVICES</p> <p>Physical, speech and occupational therapy and other therapy</p> <p>Chiropractic (20 visits/year)</p>	<p>80% after deductible Tier II benefit applies</p>	<p>80% after deductible up to max of 180 days/year 80% after deductible</p>	<p>60% after deductible 60% after deductible</p>
<p>12. CONTINUED CARE</p> <p>Home health services</p> <p>Skilled nursing facility</p> <p>Home hospice care, part-time care, continuous and respite care</p>	<p>80% after deductible up to max of 180 days/year 80% after deductible</p>	<p>80% after deductible up to max of 180 days/year 80% after deductible</p>	<p>60% after deductible 60% after deductible</p>
<p>13. MENTAL HEALTH / CHEMICAL DEPENDENCY</p> <p>Inpatient care (must be authorized by MMSI)</p> <p>Outpatient care (must be authorized by MMSI)</p>	<p>80% after deductible</p> <p>80% after deductible of allowed amt. for chemical dependency treatment. 80% after deductible per mental health office visit</p>	<p>80% after deductible</p> <p>80% after deductible of allowed amt. for chemical dependency treatment. 70% after deductible per mental health office visit</p>	<p>60% after deductible</p> <p>60% after deductible of allowed amt. for chemical dependency treatment. 60% after deductible per mental health office visit</p>
<p>14. ANNUAL DEDUCTIBLE (HRA dollars count towards your deductible)</p>	<p>\$1,500/person \$3,000/family</p>	<p>\$1,500/person \$3,000/family</p>	<p>\$1,750/person \$3,500/family</p>
<p>15. ANNUAL OUT-OF-POCKET MAXIMUM</p> <p>Medical Claims (Network specific – includes deductible and HRA dollars)</p> <p>Medical Claims (Combined – includes deductible)</p> <p>Prescriptions</p>	<p>\$2,500/person; \$5,000/family Applies to Tier I and Tier II \$1,000/person, \$2,000/family</p>	<p>\$2,500/person; \$5,000/family Applies to Tier I and Tier II \$1,000/person, \$2,000/family</p>	<p>\$3,500/person; \$7,000/family Applies to Tier III only None</p>
<p>16. LIFETIME MAXIMUM BENEFIT</p>	<p>\$2,000,000 per person (Tier I, Tier II, Tier III)</p>		
<p>17. USUAL AND CUSTOMARY FEE SCHEDULE</p>	<p>No</p>	<p>No</p>	<p>Yes</p>

Dental Plan

ELIGIBILITY

If you are hired to work at least 16 hours per week, you and your dependents are eligible for dental benefits on the first of the calendar month coinciding with or following your first day of work or change to an eligible status. The Hospital pays approximately 60% of the total cost of your premium. Premium payments are payroll deducted on a biweekly basis and begin on the first paycheck in the month coverage is effective.

You have 30 days from your first day of work or change to an eligible status to enroll in the dental plan. You must complete a benefit enrollment form and submit it to the Human Resources Department. If you terminate employment or go to an ineligible status, you will be eligible for COBRA extension (see pages 27-28 for more details).

There is open enrollment for dental insurance every other year.

The pages that follow summarize the coverage under the plan and explain the Delta USA network and how to use it.

SUMMARY OF DENTAL BENEFITS*

Diagnostic & Preventive	100%
Basic Services	80%
Major Restorative	50%
Prosthetic Repairs & Adjustments	80%
Prosthetics	50%

Deductible:	Not applicable to Diagnostic & Preventive Services. Annual \$50 per person per calendar year.
Coinsurance:	Certain services will require you to pay a percentage of the allowable charge. For example, under major restorative services, you are responsible for 50% of Delta's allowable charge. The dentist can collect the coinsurance at the time of the visit or bill you.
Maximum:	\$1,200 benefit per person per calendar year. \$500 TMJ (non-surgical) benefit per person per calendar year. (This amount is inclusive of the \$1,200 overall maximum).
Eligible Dependents:	Spouse and unmarried children up to age 19, or age 25 if full-time students.

Dental Plan *(continued)*

▲ DIAGNOSTIC & PREVENTIVE

- Examinations and cleanings, 2 per calendar year
- Full-mouth x-rays, at 5 year intervals
- Bitewing x-rays at 12 months intervals to age 18 years
- Bitewing x-rays at 24 month intervals for age 18 years and over
- Fluoride treatment, at 12 month intervals for covered persons under age 19 years
- Space maintainers for missing primary teeth
- Sealants for permanent molars of eligible dependents up to age 16 years, limited to once per lifetime

▲ BASIC SERVICES

- Palliative emergency treatment
- Amalgam restorations (silver fillings)
- Anterior resin restorations (white fillings)
- Endodontics
- Nonsurgical periodontics, at 3 year intervals
- Surgical periodontics, at 3 year intervals
- Surgical/nonsurgical extractions

▲ MAJOR RESTORATIVE

- Crowns, at 5 year intervals per tooth
- TMJ (non-surgical)
- Posterior Amalgam Restorations (white fillings)

▲ PROSTHETIC REPAIRS & ADJUSTMENTS

- Denture adjustments
- Denture repairs
- Tissue conditioning, rebasing and relining
- Recement bridge
- Bridge repair

▲ PROSTHETICS

- Dentures (full and partial) at 5 year intervals
- Bridges, at 5 year intervals
- Implants

• *This is only a summary of benefits. For a complete list of covered services and limitations/exclusions, refer to the master contract.*

Dental Plan *(continued)*

DENTAL RATES

Biweekly Premiums:

Employee Only	\$5.60
Employee + Children	\$11.00
Employee + Spouse	\$11.85
Employee + Family	\$16.50

THE DELTA USA DIFFERENCE

Delta Dental is the nation’s largest dental benefits provider. Delta Dental has a unique contractual agreement with over 108,000 participating providers nationwide. This network of dentists (Delta’s participating providers) agree to accept Delta’s allowable charge as the maximum charge for a procedure. You will not be held responsible for any fees in excess of the allowable charge. For example, if Delta’s allowable fee is \$75.00 for a certain procedure and your participating dentist charges \$82.00, \$7.00 is the portion of the fee which cannot be balance billed to you. This is what Delta refers to as the “Hold Harmless Agreement”.

With Delta, you have the freedom to choose a Delta participating dentist or a non-participating dentist. The advantage of seeing a participating dentist is to minimize your out-of-pocket expenses; in addition, the participating dentist agrees to submit the claim forms directly to Delta Dental.

DELTA DENTAL EASY TO USE:

Call the dental office or Delta’s National Dedicated Service Center at 1-800-448-3815 to determine if your dentist is participating in the Delta Dental network or visit www.deltadentalmn.org.

If your dentist does not participate with Delta Dental, the National Dedicated Service Center can assist you with finding participating providers in your area.

Present your Delta USA ID card to your dental office.

Delta’s National Dedicated Service Center toll-free number is available to you and your dentist. This number, 1-800-448-3815, is also located on the back of your Delta USA ID card.

**DELTA USA
NATIONAL DEDICATED SERVICE CENTER
P.O. BOX #59238
MINNEAPOLIS, MINNESOTA 55459-0238
1-800-448-3815**

Dental Plan (continued)

IF YOU GO TO A PARTICIPATING DENTIST: _____

Participating dentists submit your claims directly to the National Dedicated Service Center in Minnesota.

Delta sends payment directly to participating dentists. You will receive an Explanation of Benefits (EOB) in the mail explaining the amount paid, deductible, and coinsurance information.

Participating dentists will be reimbursed based on Delta's allowable charge. You will be responsible for deductibles and coinsurance. You will not be responsible for fees billed in excess of Delta's allowable charge, also called balance billing.

For major dental procedures, (i.e., crowns, bridges) the dentist should submit a pretreatment estimate to Delta Dental Plan of Minnesota. A Delta Dental professional will review the procedure for benefit determination and your financial responsibility prior to the service.

If you have questions regarding your dental benefits, call Delta's National Dedicated Service Center at 1-800-448-3815 or visit www.deltadentalmn.org.

IF YOU GO TO A NON-PARTICIPATING DENTIST: _____

You may have to complete your own claim form and submit it to Delta's National Dedicated Service Center in Minnesota. You may call the toll-free number to receive Delta Dental claim forms or ask your dental office for a standard ADA claim form. The address to submit claims is located on the back of your ID card.

If the non-participating dentists' fees are higher than Delta's "allowable" fee, you will be required to pay the difference, in addition to your required deductible and coinsurance amounts.

Payments of claims is sent directly to you to reimburse the dentist.

For major dental procedures, (i.e., crowns, bridges), a pretreatment estimate should be submitted to Delta Dental Plan of Minnesota. A licensed dental professional will review the procedure for benefit determination and your financial responsibility prior to the service.

Premium Option Plan (Pre-tax Premiums)

As a participant in the medical/dental plans, your biweekly contributions will be deducted before your wages are taxed. Enrollment is automatic unless you sign a waiver to the contrary. Since this reduces your taxable income, generally you pay less state and federal income tax and FICA taxes.

Medical/Dependent Care Expense Plans

If you are a regular part-time or full-time employee you are eligible to participate in the Medical/Dependent Care Expense Plans. These plans are designed for employees who incur medical and/or dependent care expenses that are not covered by insurance. To participate, you need to authorize the annual amount to be deducted for your estimated expenses. Since deductions will be made before your income is taxed, your taxable income will be lower, which may increase your spendable income and represent a tax savings. You may sign up within 30 days of your first day of work or within 30 days of a change in family status. You can only change the amount during the year if you have a change in family or job status. Any amount designated and not used by the end of the year is forfeited. Reimbursements for expenses which were incurred during the year may be submitted up to March 15th of the next year.

Re-enrollment is required each year in December to determine the amount to be deducted for the next year. As expenses are incurred, submit claims for reimbursement. Claims must be for expenses incurred during the year of reimbursement, not the year of payment.

Basic Life and AD&D

REGULAR FULL-TIME EMPLOYEES

You are eligible for these benefits on the first of the calendar month coinciding with or following your first day of work. Enrollment is automatic. SCH pays the entire cost of the premium. In the event of your death, your designated beneficiary is eligible for an insurance benefit equal to the amount of your annual salary rounded up to the nearest \$1,000 to a maximum of \$150,000. AD&D (accidental death and dismemberment insurance) pays the same dollar benefit as basic life in cases of accidental death, or a specific amount depending on the type of dismemberment. Notification of death, along with a certified copy of the death certificate, must be given to the Human Resources Department. If you terminate employment or go to an ineligible status, you will be eligible for COBRA extension (see pages 27-28 for more details).

Employer provided life insurance over \$50,000 is a taxable benefit according to IRS. The taxation formula used to determine your taxable amount is provided by the IRS and is based on your age and the amount of your life insurance coverage each month over \$50,000. The monthly taxable amount will be applied to your paycheck on the second payroll of each coverage month.

Basic Life and AD&D *(continued)*

REGULAR PART-TIME & PART-TIME RESERVE EMPLOYEES

You are eligible for these benefits on the first of the calendar month coinciding with or following your first day of work. Enrollment is automatic. SCH pays the entire cost of the premium. In the event of your death, your designated beneficiary is eligible for an insurance benefit of \$10,000. AD&D (accidental death and dismemberment insurance) pays the same dollar benefit as basic life in cases of accidental death, or a specific amount depending on the type of dismemberment. Notification of death, along with a certified copy of the death certificate, must be given to the Human Resources Department. If you terminate employment or go to an ineligible status, you will be eligible for COBRA extension (see pages 27-28 for more details).

Supplemental Life**

REGULAR FULL-TIME EMPLOYEES

As an option, SCH offers a supplemental life insurance plan which allows employees to purchase additional life insurance of one to four times their annual salary to a maximum of \$500,000 at low cost group rates. You are eligible for this plan on the first of the calendar month coinciding with or following your first day of work.

REGULAR PART-TIME & PART-TIME RESERVE EMPLOYEES

As an option, SCH offers a supplemental life insurance plan which allows employees to purchase additional life insurance of \$10,000, \$20,000, \$30,000 or \$40,000 at low cost group rates. You are eligible for this plan on the first of the calendar month coinciding with or following your first day of work.

RATE SCHEDULE

Monthly Cost/\$1,000 of Life Insurance Coverage

Age Group	Rate	Age Group	Rate
<30	\$.045	50 - 54	\$.287
30 - 34	\$.060	55 - 59	\$.513
35 - 39	\$.076	60 - 64	\$.747
40 - 44	\$.113	65 - 69	\$1.193
45 - 49	\$.189	70 or more	\$1.986

***Enrollment at a later date will require evidence of good health.*

You have 30 days from your first day of work or change to an eligible status to enroll. You must complete a benefit enrollment form and submit it to the Human Resources Department. If you terminate employment or go to an ineligible status, you will be eligible for COBRA extension (see pages 27-28 for more details). In the event of death, notification of death, along with a certified copy of the death certificate, must be given to the Human Resources Department.

Dependent Life**

REGULAR FULL-TIME, PART-TIME, & PART-TIME RESERVE EMPLOYEES

As an option, SCH offers a dependent life insurance plan which allows employees to purchase life insurance for their spouse and/or dependents at low cost group rates. You are eligible for this plan on the first of the calendar month coinciding with or following your first day of work. You must participate in the supplemental life plan in order to elect dependent life. You have 30 days from your first day of work or change to an eligible status to enroll. You must complete a benefit enrollment form and submit it to the Human Resources Department. If you terminate employment or go to an ineligible status, you will be eligible for COBRA extension (see pages 27-28 for more details). In the event of death, notification of death, along with a certified copy of the death certificate, must be given to the Human Resources Department.

Monthly Cost/\$1,000 of Life Insurance Coverage for Spouse

Age Group	Rate	Age Group	Rate
<30	\$.045	50 - 54	\$.287
30 - 34	\$.060	55 - 59	\$.513
35 - 39	\$.076	60 - 64	\$.747
40 - 44	\$.113	65 - 69	\$1.193
45 - 49	\$.189	70 or more	\$1.986

Spouse coverage is limited to 50% of the employee's supplemental amount of insurance.

Coverage for Children

14 days to six months	\$2,000
Six months to 19 years*	\$10,000
(*Includes full-time students to age 25)	
Monthly cost	\$2.265 (flat rate)

**Enrollment at a later date will require evidence of good health.

Long-Term Disability (LTD)

REGULAR FULL-TIME EMPLOYEES ONLY

You are eligible for Long-Term Disability benefits on the first of the calendar month coinciding with or following your first day of work. Enrollment is automatic. The Hospital pays the entire cost of the premium. If you become disabled, notify the Human Resources Department for completion of appropriate paperwork. If approved, Long-Term Disability provides 60% of your regular wages (up to \$5,000 per month) after 90 days of disability.

Individual Supplemental Long-Term Disability

If you are full-time, you may be eligible to purchase additional long-term disability insurance on an individual basis through UnumProvident and receive a group discount and unisex rate. If you work at least 30 hours per week but are not full-time, you also may be eligible to purchase long-term disability through UnumProvident with a group discount and unisex rate. Contact Kowalik & Associates at 320-257-8888 to inquire about the program and to complete an application and health questionnaire to determine eligibility.

Paid Time Off (PTO)

FEATURES

Paid Time Off (PTO) is provided to all regular full-time, part-time, and part-time reserve employees.

The amount of PTO that you are eligible for is based on:

- Your length of service
- Your job classification
- Actual hours worked

ACCRUAL

You accrue PTO every pay period based on hours worked – up to 80 hours in a pay period. You are eligible to use your accrued PTO immediately. You can save up to double your annual benefit level. The following charts, based on working 80 hours each pay period, show the amounts of PTO you can accrue.

FULL-TIME – PROFESSIONAL POSITIONS (80 hrs/pp)

Years of Service:	Annual PTO in days (8-hr shifts)	Annual PTO in hours	PTO hours accrued per 2-wk pay period	Maximum PTO hour accrual
0 - 1	23	184	7.08	368
2 - 5	28	224	8.62	448
6 - 9	33	264	10.15	528
10 - 14	34	272	10.46	544
15 - 19	35	280	10.77	560
20+	36	288	11.08	576

FULL-TIME – ALL OTHER POSITIONS (80 hrs/pp)

Years of Service:	Annual PTO in days (8-hr shifts)	Annual PTO in hours	PTO hours accrued per 2-wk pay period	Maximum PTO hour accrual
0 - 1	21	168	6.46	336
2 - 5	23	184	7.08	368
6 - 9	28	224	8.62	448
10 - 14	33	264	10.15	528
15 - 19	34	272	10.46	544
20+	35	280	10.77	560

(continued on next page)

Paid Time Off (PTO) *(continued)*

PART-TIME – PROFESSIONAL POSITIONS (80 hrs/pp)

Years of Service:	Annual PTO in days (8-hr shifts)	Annual PTO in hours	PTO hours accrued per 2-wk pay period	Maximum PTO hour accrual
0 - 1	15	120	4.62	240
2 - 5	20	160	6.15	320
6 - 9	25	200	7.69	400
10 - 14	26	208	8.00	416
15 - 19	27	216	8.31	432
20+	28	224	8.62	448

PART-TIME – ALL OTHER POSITIONS (80 hrs/pp)

Years of Service:	Annual PTO in days (8-hr shifts)	Annual PTO in hours	PTO hours accrued per 2-wk pay period	Maximum PTO hour accrual
0 - 1	13	104	4.00	208
2 - 5	15	120	4.62	240
6 - 9	20	160	6.15	320
10 - 14	25	200	7.69	400
15 - 19	26	208	8.00	416
20+	27	216	8.31	432

To calculate the days or hours that you are likely to accrue, take your FTE (full-time equivalent) status (.9, .5, etc.) times the number of days or hours in your length of service category. **For example:** part-time employee hired at 56 hrs/pp (.7 FTE) with 8 years of service in a professional position.

$$25 \text{ days} \times .7 = 17.5 \text{ days annually}$$

$$200 \text{ hours} \times .7 = 140 \text{ hours annually}$$

$$7.69 \times .7 = 5.38 \text{ hours per pay period}$$

PTO CASH OUT

Annually you will be eligible to take a cash payout of your PTO based on the following requirements:

- Employees with 1-4 years of service may cash out up to 40 hours of PTO at 100% of pay if they have taken 40 hours of PTO during the year.
- Employees with 5 or more years of service may cash out up to 80 hours of PTO at 100% of pay if they have taken 80 hours of PTO during the year.

The payout will occur after the end of each calendar year.

Holiday Pay for Regular Full-Time, Part-Time, Part-Time Reserve, and Casual Employees

You are eligible, as of date of hire, for time and one-half pay if you work on New Year's Day, Easter, Memorial Day and Labor Day. You are eligible, as of date of hire, for double time if you work on Christmas Eve, Christmas Day, July 4th, and Thanksgiving.

Short-Term Disability (STD)

Short-Term Disability (STD) is provided for continued income in the event you are ill and out of work continuously for at least one-half of the number of hours for which you are hired per pay period. You would use PTO during the elimination period.

STD is provided at the rate of 12 weeks of your hired hours per calendar year for regular full-time, part-time, and part-time reserve employees. You are eligible for STD after 12 months of service. STD is paid at 60% of your base hourly rate. You must be eligible for STD on the day you go out due to an illness in order to collect STD for that occurrence.

If you have hours in your frozen sick bank (hours accrued prior to 1/4/04), your sick leave hours will be used first before short-term disability. Once your frozen sick banks are exhausted, short-term disability will begin. If you are out for an extended illness of a family member, you are not eligible for short-term disability but may be eligible to use hours in your frozen sick banks.

Your STD hours can be supplemented by any accrued hours in your PTO bank to reach 100% of your pre-disability hourly rate. For example, if you worked 40 hours in a work week, your STD benefit would pay you 60% of your base pay which can be supplemented with 16 PTO hours to reach 100% of pay.

If you become disabled in a calendar year and your disability continues into the next calendar year, it will be considered one period of disability. You will only be eligible for 12 weeks of STD. You will not receive more than 12 weeks of STD for one calendar year or spell of illness. If you return to active work after a disability and again become disabled (the disability needs to be for the same medical condition) less than 28 days after your return, both disabilities will be considered a single period of disability. This means you will not have a new elimination period before STD benefits can begin. However, you will be eligible for STD benefit payments only for any remaining balance of the maximum 12 weeks per calendar year. If you are on an unpaid leave at the end of the calendar year, you are not eligible for another 12 weeks of STD at the beginning of the new year.

Use of Short-Term Disability and frozen sick banks need to be authorized by the Benefits Department and will be clocked in by the Benefits Department. Failure to obtain approval from the Benefits Department may result in payments being delayed or denied.

If the absence is in conjunction with an event covered under the Family and Medical Leave Act, a minimum of a 30 day notice must be given for foreseeable events.

Employees are required to provide an attending physician's statement of illness and/or check with Occupational Health Service prior to returning to work. Short-term disability cannot be paid without a physician's certification.

Family/Medical Leave

Under the Family and Medical Leave Act (FMLA) employees may be entitled to up to 12 weeks of job protected leave per rolling calendar year. To be eligible, employees must have completed one year of service and have worked at least 1040 hours in the previous 12 month period. The Family Medical Leave Act became effective on August 5, 1993 and was enacted by the US Department of Labor.

See Family Medical Leave policy for complete explanation.

LEAVE FREQUENCY/MAXIMUM LENGTH

Employees are eligible for 12 weeks of leave in a rolling 12 month period. In some cases employees can take intermittent leave or be put on a reduced leave schedule for no more than 12 work weeks or equivalent hours during any 12 month period.

If both spouses work at the hospital, a 12 week aggregate total is allowed in the event of a birth, adoption, or the placement of a child in the employee's foster care. This limitation does not apply to leave taken by either to care for the other in the event of a serious illness, to care for a parent's or child's serious illness, or for his/her own serious illness.

ALLOWABLE EVENTS

A Family/Medical Leave must be granted to an employee for one or more of the following events.

- Birth of child or to care for such child
- Placement of a child with the employee for adoption or foster care
- To care for an immediate family member (spouse, child/stepchild-under age 18, mother/father) who has a serious health condition
- The employee's own serious health condition

Family/Medical Leave for a newborn child or for adoption or foster care placement of a child must be completed within 12 months of the birth, adoption, or placement, and the Hospital can require that the leave be taken all at one time. Family/Medical Leave for a serious health condition may be taken intermittently or on a reduced time basis (e.g., by working fewer hours in a day), but only if such a schedule is needed for medical reasons.

DETERMINATION OF "SERIOUS HEALTH CONDITION"

"Serious health condition" is defined as an illness, injury, impairment or physical/mental condition that requires:

- Inpatient care in a hospital, hospice or residential medical facility
- Continuing treatment by a health-care provider
- Any period of incapacity requiring more than 3 days and involves continuous treatment by a health-care provider
- Prenatal care by a health-care provider

Family/Medical Leave *(continued)*

SCHEDULE OF BENEFITS TO USE FOR EACH EVENT

Event	Benefit Time Used
Employee's Serious Illness	<ul style="list-style-type: none">• PTO (1/2 of scheduled hrs per pay period)• Full Sick Bank• Short-Term Disability• Long-Term Disability – FT employees
Serious Illness of Family Member (Child, Parent, Spouse)	<ul style="list-style-type: none">• PTO (1/2 of scheduled hrs per pay period)• Employee & Family Sick Bank only. If child is under 18 (age 20 if in secondary school) full Sick Bank will be used.
Birth, Adoption, or Foster Care	<ul style="list-style-type: none">• PTO
Intermittent/Reduced Schedule	<ul style="list-style-type: none">• PTO

One week of PTO may be retained for consecutive leaves.
No retention for intermittent leaves.

NOTICE TO EMPLOYER

Employees are required to give at least 30 days advance notice of a foreseeable leave (pregnancy, scheduled surgery, etc.). In unexpected or unforeseeable situations, employees should provide as much notice as is practical.

If such notice is not given, the Hospital may deny the taking of the leave until at least 30 days after the employee provides notice.

If the leave is for planned medical treatment and will be taken on an intermittent basis or on a reduced schedule, employees are expected to schedule the treatment so as to create minimum disruption for the employer.

If the leave is for employee's or a covered family member's serious health condition, employees must request a family/medical leave. Employees must complete a Family/Medical Leave Provider Certification form 15 days after the verbal request.

The Hospital may require second or third opinions (at its expense), and fitness-for-duty reports to return to work. The Hospital may also require provider reports on the employee's status and intent to return to work.

JOB/PAY SECURITY

When the time off is no longer than 12 weeks with a probable return date, an employee will be restored to his or her original job before leave, or to an "equivalent" job, which means virtually identical to the original job in terms of pay, benefits, and other employment terms and conditions.

Family/Medical Leave (continued)

CONTINUATION OF BENEFITS _____

Medical and dental insurance will continue while an employee is on family medical leave or a paid leave, at the same cost as if the person had been actively at work.

PROCEDURE FOR REQUESTING A LEAVE _____

1. Requests for a Family/Medical leave are to be verbally directed to the Director, who, in turn, will direct the employee to the Benefits Department.
2. The employee must schedule a meeting with a member of the Benefits staff when requesting a leave. A Family/Medical Leave Provider Certification form must be completed and returned to the Benefits Department. Necessary forms (Certification of Healthcare Provider, Employee Leave of Absence Request and Leave Reminders) can be picked up in Human Resources or from CentraNet .
3. When the employee is ready to return to work, the employee needs to contact their Director and provide a Return To Work Certification to Occupational Health Services if medically related.

Defined Contribution Retirement Plan

The Hospital provides a defined contribution retirement plan to all eligible employees. A defined contribution retirement plan provides a fixed contribution made by the hospital each fiscal year. The contribution is deposited into an account in your name with Fidelity Investments. You control the investments. Fidelity Investments is our provider for investment options with over 100 mutual funds available. The retirement plan is designed to supplement the social security benefit you receive when you retire.

PARTICIPATION

You become a participant in the retirement plan after completing one year of service with 1,000 hours and attaining age 21.

Hours that count towards your 1,000 hours include: hours worked, PTO, sick leave, short-term disability, hospital time off, and on-call hours.

VESTING

You are fully or 100% vested after completing three years of 1,000 hours. 100% vested means you will never lose the amount in your account. If you terminate your employment after you are 100% vested, the money in your account is yours to roll to another plan, roll to an IRA, leave in your current plan, or take the cash.

If you have worked for another employer of CentraCare Health System, prior vesting service may be given to you in accordance with the provisions of the retirement plan.

CONTRIBUTION SCHEDULE

The contribution is based on a graded schedule. The amount of contribution is based on your fiscal compensation and your number of years of vesting service (fiscal years of 1,000 hours). The more vesting service, the bigger % of contribution thus rewarding longer service employees. The contribution-graded schedule is:

0 - 5 years of vesting service	3.5%
6 - 10 years of vesting service	4.5%
11+ years of vesting service	6.0%

The contribution is made on a biweekly basis as long as you have met the eligibility requirements prior to the beginning of the fiscal year. You will receive quarterly statements showing account balances.

403(b) Retirement Plan & Employer Match

The 403(b) Retirement Plan allows you the opportunity to save and invest income on a pre-tax or after-tax basis for retirement. You will be automatically enrolled within 60 days of your first day of work unless you opt out. Information will be sent to you with the details. You may contribute as little as 1% of pay up to a maximum of \$16,500 for the year 2010. Employees age 50 and above may contribute an additional \$5,500 for 2010. A selection of investment options is available to participants through Fidelity Investments. Call Fidelity Investments at 1-800-343-0860 to select your investment options.

EMPLOYER MATCH

After two years of employment, 500 hours and age 21, you are eligible for an employer match. The match is 50% of the first 3% of employee contribution (1.5%). You are 100% vested in the employer match after two years of 500 hours per year.

Individual Long-Term Care Insurance

All employees may be eligible to purchase long-term care insurance on an individual basis through a variety of companies and receive a group discount. This discount is also available for your spouse and parents. Contact Kowalik & Associates at 320-257-8888 to inquire about the program and to complete an application which includes a health questionnaire.

Voluntary Legal Services Plan

All employees are eligible to participate in the voluntary legal services plan through MetLaw. You are eligible to enroll within 30 days of your first day of work or on an annual basis. The biweekly cost is \$7.27. MetLaw gives you easy access to experienced, participating attorneys for a wide range of covered legal services. For more information call 1-800-821-6400 or visit www.legalplans.com, click on "Thinking About Enrolling?" and enter password: 1500688.

Voluntary Permanent Life Insurance

All employees are eligible to participate in the voluntary permanent life insurance program. Open enrollment is offered on an annual basis. The policy is permanent and you are eligible to take the policy with you if you leave employment. More information will be made available during the annual enrollment period.

Tuition Reimbursement

In order to encourage vocational and professional growth, the Hospital will assist employees with tuition reimbursement. After one year of employment, you are eligible for tuition reimbursement for coursework related to your present or future position within the organization. After completion of the course (a grade C or better), reimbursement will be made. You will be expected to work at least one year following the completion of the coursework. Funds are available on a first-come, first-serve basis.

Savings Bonds

At any time you may request regular payroll deductions to invest in U.S. Savings Bonds. Minimum deduction is \$5. Bonds offer a guaranteed minimum return and market rate maximum yields. Until you cash your bonds, the interest accumulates tax free. One hundred (\$100) dollar, two hundred (\$200) dollar, five hundred (\$500) dollar and one thousand (\$1,000) dollar denominations are available. To participate, complete a Purchase Authorization form available in the Human Resources Department. Bonds purchased are sent to your home by the Federal Reserve.

Home & Auto Insurance (MetPay)

All employees are eligible to participate in home, auto, boat, and renter's insurance through MetPay. In addition to special group rates, you may be eligible for additional savings with these discounts*:

- Payroll Deduction
- Garaged Vehicle
- Anti-theft Device
- Safety Device (e.g. anti-lock brakes, air bags, etc.)
- Mature Driver
- Good Student
- Multi-car
- Length of service with your employer

**Available in most states to those who qualify.*

Compare the cost of your current insurance with MetPay. Call 1-800-GET-MET8 (1-800-438-6388). To make an accurate comparison, have your current policy with you when you call. A knowledgeable METPAY Insurance consultant can give you a free insurance review and no-obligation premium quote over the phone.

Workers' Compensation

Employees injured while on duty are entitled to workers' compensation. It is necessary that the injury be reported at once to your supervisor and to Occupational Health Services.

Social Security (FICA)

SCH contributes 7.65% of your earnings up to the required maximum to Social Security for retirement and disability benefits. The hospital's contribution is in addition to the amount deducted from an employee's check.

Employee Assistance Program (EAP)

SCH recognizes that from time to time you and/or your immediate family may experience personal problems which could benefit from an Employee Assistance Program. SCH is committed to a program that will help promote a healthy work force, retain valued employees and maintain the dignity and worth of each staff member. Our Employee Assistance Program through Bensinger, Dupont & Associates (BDA) is a voluntary program available to you on a self-referral or supervisory referral basis at no cost to you. Your job security and promotional opportunities will not be jeopardized by utilizing this service. All Employee Assistance Program records will be preserved in the highest degree of confidentiality at BDA and will not be part of your personnel file.

You are encouraged to voluntarily seek confidential counseling and information by contacting BDA at 1-866-757-3271 with personal problems or a problem you feel may affect work performance. Personal problems can be physical, mental or emotional illness, finances, family distress, alcoholism, drug abuse, legal problems or other concerns.

At all times you are responsible for the performance of the duties of your job. EAP is designed to compliment and not replace the policies and procedures of CentraCare Health System and is intended to assist you when problems interfere with satisfactory performance.

You may be referred to EAP by your supervisor due to performance problems and may be required to secure adequate medical, rehabilitative counseling or other services as may be necessary. Management is not interested in prying into an employee's personal life, therefore, formal supervisory involvement will occur only in connection with job performance problems.

Initial assessment and follow-up services will be provided by BDA at no charge. Subsequent services to which you are referred may be covered by your medical insurance and you will be responsible for all other charges which may be incurred.

Wellness Program

Our employees are our greatest asset. We value a positive work climate that enhances communication and productivity. Employee and family health is a top priority of CentraCare Health System. To achieve this goal, CCHS offers a Wellness Program consisting of several programs in which you may participate. To get started, employees, their spouses, and dependents age 18 or older may visit www.CentraCareWellness.com to personalize their own wellness web site and to find health information and tools.

ONLINE HEALTH ASSESSMENT

Each year employees, their spouses, and dependents age 18 or older are encouraged to complete the online Health Assessment. This assessment is completely voluntary, however completion may make you eligible to participate in Embody Health Coaching and improve your health, free of charge. The assessment only takes 20 minutes to complete and is completely confidential – none of your personal information will be shared with anyone at CentraCare Health System. The Health Assessment can be accessed each year for a two-month period (February/March) on www.CentraCareWellness.com.

EMBODY HEALTH COACHING

If four or more behavior risk factors are identified during your Health Assessment, you may consent to being contacted by Embody Health Coaching. This telephonic counseling program is offered to employees, spouses, and dependents 18 or older free of charge. This program is also completely voluntary and confidential. Your counselor will work with you over a 6-month period to help you make changes to your lifestyle and begin living a healthier life. There are five modules from which you may choose:

Nutrition Healthy Weight Stress Exercise Tobacco Cessation

If you are interested in Embody Health Coaching, be sure to complete the annual Health Assessment when it is offered annually. Each employee, spouse and dependents age 18 or older is eligible to enroll in one Embody Health Coaching module per year.

DISEASE MANAGEMENT

If you have diabetes, asthma or cardiovascular disease, you can benefit from learning more about your condition. If you have recently been diagnosed or your condition is already impacting your health, you will learn strategies to regain a measure of control over your life and symptoms. Anyone enrolled in the CentraCare Health System's medical benefits who has asthma, diabetes, or cardiovascular disease is eligible for Disease Management, which includes the following programs:

Mayo Clinic Diabetes Advisor
Mayo Clinic Asthma Advisor
Mayo Clinic Cardiovascular Advisor, including: Heart Failure, Coronary Artery Disease, High Blood Pressure (hypertension), High cholesterol (hyperlipidemia)

These telephone-based programs are provided through your CentraCare Health System Medical Plan and are administered by MMSI. There is no additional cost to you for use of the programs. MMSI, Inc. may contact you regarding enrollment based off of your claims experience or your Health Assessment results. If you would like to learn more, call Ask Mayo Clinic at 1-877-511-8161 and ask about Disease Management. This program provides education and support for

(continued)

Wellness Program *(continued)*

management of your condition and is an enhancement to your current treatment plan with your physician. It is not meant to be an additional treatment plan. This may reduce your health care expenses. The program is completely voluntary and confidential.

REWARD PROGRAM

CentraCare Health System offers all employees who participate in various wellness programs the opportunity to earn points towards an annual incentive. Earning points is easy. Participate in wellness programs such as the annual Health Assessment, wellness challenges, Embody Health Coaching, etc. and earn points. The number of points earned depends on the activity. Employees enrolled in the HRA/\$1,500 Deductible Medical Plan who accumulate 500 points will receive an additional \$100 in their HRA the following calendar year. Employees not enrolled in the HRA/\$1,500 Deductible Medical Plan who accumulate 500 points will receive \$50 cash. Those employees accumulating 250-499 points will receive one-half the incentive amount. The incentive is rewarded after the end of each calendar year. Accumulation of points starts over each calendar year. Tracking of points is done on www.CentraCareWellness.com. Click on “Reward Program” at the top of your home page. Points earned by enrolling in or completing programs on the EmbodyHealth web site will be entered automatically under “Tracked EmbodyHealth Activities.” For points earned outside the web site, such as getting your annual flu shot, simply record the points in the Reward Program section of the web site. You’ll find a list of eligible activities under “Self-Report My Activities” and next to each activity is a box where you’ll record the date you completed the activity. Click on “Did It” and the points will be registered and added to your total.

Adoption Benefits

St. Cloud Hospital will provide financial assistance up to a maximum of \$2,000 for eligible adoption expenses. Employees who are hired for at least 32 or more hours per pay period and have been employed for at least 12 months are eligible for this benefit. If both parents are employees of the Hospital only one employee is eligible for this benefit. Eligible adoption expenses include: legal fees, court fees, adoption agency fees, other expenses that are directly related to, and the principal purpose of which is for, the legal adoption of an eligible child by the employee. An eligible child is an individual who is less than 18 years old and is not a relative of the employee and/or the employee’s spouse.

Employees must submit receipts to the Human Resources Department for eligible expenses along with proof of custody, such as a document from a court or an adoption agency verifying placement of the child. Reimbursement for eligible expenses will be made to the employee through the regular payroll system. It is intended that benefits paid to employees under this policy be excludable from taxable income to the maximum extent allowed under Section 137 of the Internal Revenue Code.

Child Care

Discount rates for child care are available through New Horizon Child Care Centers. For more information, call the facility.

Employee Recognition

MONTHLY RECOGNITION

On a monthly basis employees are recognized for the years of service based on their anniversary dates of 5, 10, 15, 20, 25, 30, 35+ years of service.

Awards are presented to employees on or around their length of service date by their department directors. Retirees will be mailed information about their gift choices shortly after their last day of service. All recipients of the monthly awards during the recognition year of May-April are invited to that year's annual employee recognition banquet held in May.

MISSION MATTERS

This program provides employees with the opportunity to recognize a co-worker for demonstrating the Core Values of St. Cloud Hospital and our Mission statement. Simply obtain a "Mission Matters" card located in your department. Complete the card, including the tear-off portion. Remove the tear-off portion and send it to Human Resources. Send the main portion of the card to the employee's director so it can be posted in your co-worker's department. Tear-offs returned to Human Resources will be placed in a monthly drawing. Thirty employees will be drawn each month and winners will be able to select a gift from the Mission Matters online store.

CARE ABOVE ALL AWARD

This award is presented to an individual who is nominated by his/her peers. The person is nominated based on displaying a positive attitude, having good work attendance, performing quality and quantity work that exceeds normal expectations, is committed to St. Cloud Hospital's mission and values, is an excellent role model and relates well with patients, visitors, and other staff. Nominations for the Care Above All award are submitted to the Employee Recognition Council, which are reviewed and selected. Nomination forms are located in your department or can be obtained through the Human Resources Department.

Other Benefits

Other benefits and services offered by SCH include free parking, personnel dining room, Occupational Health Services, direct deposit, coverage under unemployment compensation, discounts to various local businesses, discounts to various vacation areas, and hospital sponsored recreational activities.

Policies and Procedures

The Human Resources Operations Manual contains the human resources policies and procedures for St. Cloud Hospital. The policies and procedures are intended as guidelines only and are subject to change at the sole discretion of the Hospital. Neither the offer nor acceptance of employment or the establishment and maintenance of employment or operating policies and procedures by St. Cloud Hospital or CentraCare create a contract of employment. The employment relationship is terminable at will of either the employee or St. Cloud Hospital.

You may view the Human Resources Operations Manual on the Centranet. The process is simple. Log on to Centranet, click on Human Resources, click on SCH under Policies and Procedures, note the disclaimer, click on St. Cloud Hospital, and you will be able to view any Human Resources Policies and Procedures. These policies and procedures are updated as changes occur.

Cobra Notice

On April 7, 1986, a federal law was enacted [Public Law 99*272, Title X] requiring that most employers sponsoring group health plans offer employees and their families the opportunity for a temporary extension of health coverage (called “continuation coverage”) at group rates in certain instances where coverage under the plan would otherwise end. This notice is intended to inform you, in a summary fashion, of your rights and obligations under the continuation coverage provisions of the new law. *[Both you and your spouse should take the time to read this notice carefully.]*

If you are an employee of St. Cloud Hospital covered by group health plans, you have the right to choose this continuation coverage if you lose your group health coverage because of a reduction in your hours of employment or the termination of your employment (for reasons other than gross misconduct on your part).

If you are the spouse of an employee covered by a group health plan, you have the right to choose continuation coverage for yourself if you lose group health coverage under St. Cloud Hospital for any of the following reasons:

1. The death of your spouse.
2. A termination of your spouse’s employment (for reasons other than gross misconduct) or reduction in your spouse’s hours of employment.
3. Divorce or legal separation from your spouse; or
4. Your spouse becomes entitled to Medicare.

In the case of a dependent child of an employee covered by St. Cloud Hospital, he or she has the right to continuation coverage if group health coverage is lost for any of the following five reasons:

1. The death of a parent.
2. A termination of parent’s employment (for reasons other than gross misconduct) or reduction in a parent’s hours of employment with St. Cloud Hospital.
3. Parent’s divorce or legal separation.
4. A parent becomes entitled to Medicare; or
5. The dependent child ceases to be a “dependent child”.

Under the law, the employee or a family member has the responsibility to inform St. Cloud Hospital of a divorce, legal separation, or a child losing dependent status (19 years if not a full-time student, 25 if a full-time student) within 60 days of the date of the event or the date in which coverage would end under the Plan because of the event, whichever is later.

When SCH is notified that one of these events has happened, the Plan Administrator will in turn notify you that you have the right to choose continuation coverage. Under the law, you have at least 60 days from the date you would lose coverage because of one of the events described above, or the date notice of your election rights is sent to you, whichever is later, to inform the Plan Administrator that you want continuation coverage.

If you do not choose continuation coverage, your group health insurance will end.

Cobra Notice (continued)

If you choose continuation coverage, St. Cloud Hospital is required to give you coverage provided under the plan to similarly situated employees or family members. The new law requires that you be afforded the opportunity to maintain continuation coverage for three years unless you lost group health coverage because of a termination of employment or a reduction in hours. In that case, the required continuation coverage period is 18 months. This 18 months may be extended to 36 months if other events (such as a death, divorce, legal separation, or Medicare entitlement) occur during the 18 month period.

The 18 months may be extended to 29 months if an individual is determined (under Title II or XVI of the Social Security Act) to be disabled and the Plan Administrator is notified of that determination within 60 days. The affected individual must also notify the Plan Administrator within 30 days of any final determination that the individual is no longer disabled. In no event will continuation coverage last beyond 3 years from the date of the event that originally made a qualifying beneficiary eligible to elect coverage.

However, the law also provides that your continuation coverage may be terminated for any of the following five reasons:

1. St. Cloud Hospital no longer provides group health coverage to any of its employees.
2. The premium for your continuation coverage is not paid on time.
3. You become covered by another group plan, unless the plan contains any exclusions or limitations with respect to any pre-existing condition you or your covered dependents may have.
4. You become entitled to Medicare.
5. You extend coverage for up to 29 months due to your disability and there has been a final determination that you are no longer disabled.

You do not have to show that you are insurable to choose continuation coverage. However, under the law, you may have to pay all or part of the premium for your continuation coverage. There is a grace period of at least 30 days for payment of the regularly scheduled premium.

If you have any questions about the law, please contact the Human Resources Department at St. Cloud Hospital. Also, if you have changed marital status, have dependents that may no longer be eligible, or you or your spouse have changed addresses, please notify SCH as soon as possible.

More detailed COBRA information is available in the Summary Plan Description (SPD) of your medical/dental plan.

CENTRACARE Health System

1406 Sixth Avenue North
St. Cloud, MN 56303-1901

Ph: (320) 251-2700
Fax: (320) 656-7022
Toll-free: 1-800-835-6608