# CITY OF MOBILE HEALTH & DENTAL PLAN

## FLEXIBLE SPENDING ACCOUNT

## 2023 Benefit Year

City of Mobile
Human Resources Department
P.O. Box 1827
Mobile, AL 36633-1827
Phone: (251) 208-7059

Employee & Retiree Cost Sharing & Important Information

Distribution Date October 14, 2022

# HEALTH & DENTAL PLAN MONTHLY RATES JANUARY 1, 2023

**⁎ NO CHANGES ⁎**

## EMPLOYEE NON-TOBACCO USE RATES

**The Employee Contribution rate is based on the Employee's Hire Date – Non-Tobacco Use Rates**

| Contribution | Single | Family |
|---|---|---|
| **HIRE DATE PRIOR TO JANUARY 1, 2015** | | |
| Monthly | $ 94.00 | $ 246.00 |
| Bi-Weekly | $ 47.00 | $ 123.00 |
| **HIRE DATE ON OR AFTER JANUARY 1, 2015** | | |
| Monthly | $ 142.00 | $ 370.00 |
| Bi-Weekly | $ 71.00 | $ 185.00 |

## EMPLOYEE TOBACCO USE RATES

**The Employee Contribution rate is based on the Employee's Hire Date – Tobacco Use Rates**

| Contribution | Single | Family |
|---|---|---|
| **HIRE DATE PRIOR TO JANUARY 1, 2015** | | |
| Monthly | $ 144.00 | $ 296.00 |
| Bi-Weekly | $ 72.00 | $ 148.00 |
| **HIRE DATE ON OR AFTER JANUARY 1, 2015** | | |
| Monthly | $ 192.00 | $ 420.00 |
| Bi-Weekly | $ 96.00 | $ 210.00 |

## 2023 EMPLOYEE RATES No Change / Rate Hold

The City is pleased to announce that the employee rates as shown in the tables will **not** increase for 2023 and have been the same since 2019. There are a few minor changes to the City of Mobile Life, Health & Dental Plan. See page 5 for more information on benefit changes.

## OPEN ENROLLMENT

**NOVEMBER 1 THROUGH DECEMBER 2, 2022**

The City of Mobile provides one of the best health plans available in our area at a very low cost to its employees. During Open Enrollment Eligible Employees may join the health plan, change coverage from single to family or from family to single, and add and delete dependents.

For active employees, we are going paperless for health plan enrollment! Please visit Employee Self Service (ESS) to update, change or verify your coverage. The ESS log on is the same place where you view your pay stub.

Throughout the year you must notify the Human Resources Department when you experience a change-in-status and you must provide evidence to support dependent status. This can be done through the ESS portal for active employees at the following link:

https://mobileemployeeselfservice.tylertech.com/login.aspx

## RETIREE RATES

### CITY OF MOBILE RETIREE-ONLY HEALTH PLAN

**The Retiree Contribution apples to all retirees**
**Non-Medicare and Medicare Eligible**
**Tobacco Rates Do Not Apply**

| Contribution | Single | Family |
|---|---|---|
| Monthly | $ 94.00 | $ 267.00 |

## TELADOC (FOR BCBS MEMBERS)

***Teladoc*** provides members with unlimited toll-free access to telephone and video consultations for health information services provided by a state licensed physician. Your ***Teladoc*** physician can diagnose, treat and prescribe medications. Access is available 24 hours per day, 365 days per year. It's Free!

You will need to register first to establish an account before using the service. Go to www.teladoc.com/mobile and click "Request a Consult" or call (855) 477-4549.

Common conditions treated by ***Teladoc*** include:

- Sinus problems
- Respiratory infection
- Urinary tract infection
- Ear infection
- Flu
- Pink eye
- Nasal congestion
- Bronchitis
- Allergies
- Cough

## PACK HEALTH (FOR BCBS MEMBERS)

Pack Health is a personalized digital health coaching program for those who have one or more chronic conditions. This is available for employees and their spouses who are on BCBS. When you enroll in Pack Health, you will be paired with a certified Health Advisor who will be there to help you set health goals and keep you accountable for your goals by calling, texting, or emailing you throughout the week based on your preference.

Most members say the education, meal plans, and exercise guides that their Health Advisors provide, along with constant support and motivation, significantly improved their health. Best of all, this benefit is free. Enroll by calling (855) 255-2362 or log on to: www.packhealth.com/mobile.

Pack Health can provide health coaching to help manage these conditions:

- Weight Management
- Depression
- Type 2 Diabetes
- Pre-Diabetes
- High Cholesterol
- High Blood Pressure

## VOLUNTARY BENEFITS

### (100% EMPLOYEE PAID)

Additional life insurance, accident and disability policies, and deferred compensation can be purchased through payroll deduction. These are 100% employee paid and rates are determined by coverage selected. Here is the contact information of the benefits representatives for these voluntary benefits;

- **AFLAC**/ Sharon Hackett / 251-455-3653 sharon_hackett@us.aflac.com
- **Liberty National** / Larry Washington 251-660-4437 or 251-463-7903 lwash13@yahoo.com
- **Nationwide Deferred Compensation 457(b) Plan** Jeremy White / 334-689-0947 or 205-215-1437 jeremy.white@nationwide.com
- **RSA-1 Deferred Compensation 457(b) Plan** with Retirement Systems of Alabama / 877-517-0020
- **Colonial Life** / Lewis Brock 251-680-1848 lewis.brock@coloniallifesales.com
- **The Standard Voluntary Benefits** Go to ReadyEnroll at www.standard.com/edu/city-mobile-alabama/45976 to enroll, update or change Additional Life Insurance for you, your spouse or children, Long Term Disability, and Accident Insurance coverage.

The City of Mobile is offering **VSP Vision Benefit** through The Standard. The voluntary vision plan is available on the ESS Portal during Open Enrollment November 1 through December 2, 2022. Should you enroll, the effective date of coverage is January 1, 2023.

**The ESS Open Enrollment Link:**

https://mobileemployeeselfservice.tylertech.com/default.aspx

## FLEXIBLE SPENDING ACCOUNT & Dependent Care Account

**Administered By:** Health Equity
**Customer Service:** 1-877-288-0719

This is the time for your annual enrollment in the flexible spending account. You must apply each year to participate in this plan by electing the amount you desire to defer. You may defer up to **$2,500** for the Health Flexible Spending Account (FSA) and the annual limit for the Dependent Care Account (DCA) is **$2,500** for single tax status and **$5,000** for family tax status.

**The Health Flexible Spending Account** can be used to pay for health care expenses not covered by the health plan. Health Equity will issue you an FSA debit card to use to pay claims, or you may file claims for reimbursement. **For more information about flexible spending accounts, visit Health Equity's website at www.healthequity.com.**

**The Dependent Care Spending Account** reimburses you for expenses associated with the care of your children under age 13 or other dependents while you work full-time.

Once enrolled in the FSA or DCA for the 2023 plan year, you are committed for the entire year. Because of IRS regulations dealing with this pre-tax deferral, you may not change your election and you are not permitted to cancel your election or stop your participation for the remainder of the year. **The deferred amount is not automatic and does not rollover from the previous year.** For the 2023 plan year, you must use your elected amount by 12/31/2023 and file all claims by 3/31/2024.

## COBRA AND CONTINUATION OF COVERAGE WHILE IN A "NON-PAY" STATUS

**To continue health & dental coverage while on an unpaid leave of absence** (to include military leave, maternity leave, and worker's compensation leave when the employee is not receiving a payroll check), **employees are responsible for paying their employee contribution**. When there is no payroll deduction to pay the employee contribution, the employee must make arrangements to pay that amount by contacting Human Resources and setting up payment arrangements.

Failure to pay the required employee contribution within 30 days of the due date will result in termination of coverage and the employee will be held responsible for any claims paid beyond the cancellation date. Coverage may only be reinstated when the employee returns to work and pays any past due amounts. When a leave of absence exceeds 6 months, the employee will be required to pay the COBRA rate to maintain the coverage for the rest of the leave of absence. If you are in this situation, please contact the City's Human Resources Department for assistance.

**COBRA:** In the case that coverage under the plan terminates for you or a dependent, you and/or your dependent may be eligible for the COBRA continuation of coverage as explained in your benefits booklet.

### Monthly COBRA Rates starting January 1, 2023:

| | Single | Family |
|---|---|---|
| **EMPLOYEE** or Dependent of an Employee | **$475.00** | **$1,234.00** |
| **RETIREE** or Dependent of a Retiree | **$678.00** | **$1,772.00** |

## HUMAN RESOURCES DEPARTMENT CONTACT NUMBERS

The City of Mobile Human Resources Department is located at 205 Government St., 4th Floor, South Tower.

- Tara Boyce 251-208-7039 tara.boyce@cityofmobile.org
- Shelia Campbell 251-208-7059 shelia.campbell@cityofmobile.org
- Arlene Ostergren 251-208-7047 arlene.ostergren@cityofmobile.org
- Leslie Rey 251-208-7832 leslie@cityofmobile.org
- LaShawne Robinson 251-208-7040 robinsonl@cityofmobile.org

## MEMBER RESPONSIBILITY FOR A CHANGE IN STATUS

**You can make changes through the ESS portal if you have a change-in-status including:**

▲Marriage ▲Divorce ▲Child Reaching Maximum Age ▲Birth of a Newborn ▲Adoption

**TO AVOID FINANCIAL LIABILITY, YOU MUST NOTIFY THE CITY'S HUMAN RESOURCES DEPARTMENT WHEN A DEPENDENT NO LONGER QUALIFIES AS AN ELIGIBLE DEPENDENT BASED ON THE PLAN'S ELIGIBILITY RULES.**

It is your responsibility to notify the City's Human Resources Department when a change occurs. **Failure to provide notice within 30 days of the change will result in the employee becoming liable for claims paid by the Health & Dental Plan on behalf of an individual who is no longer an eligible dependent.**

****DIVORCE:** Even in the case of a divorce when the employee is court ordered to provide health insurance for the divorced spouse, the employee and former spouse are required to notify the Human Resources Department of the divorce so the former spouse is removed from coverage. A former spouse is not an eligible dependent and must be removed from coverage. Upon termination of coverage the former spouse will be offered coverage through COBRA.

**Failure by the employee, retiree or former spouse to remove an ineligible dependent from coverage will result in the employee or retiree being liable for any benefits paid on behalf of the non-eligible individual.**

When you have a spouse or dependent child who is no longer eligible for coverage; please submit an updated Health Plan Enrollment Form to Human Resources to change coverage and/or your contribution rate. ***This includes removing a dependent child who is no longer covered at age 26. The rate change from family to single coverage is not automatic and no refunds are issued for late notice.***

## TOBACCO CESSATION ASSISTANCE – WELLNESS INCENTIVE – QUIT FOR LIFE®

The employee contribution rates increase if the employee or spouse uses tobacco products. The monthly cost increases by **$50.00** and the employee must certify tobacco use to the City of Mobile.

The City of Mobile Health & Dental Plan has a tobacco cessation program that provides support to the employee and spouse (if covered by the Plan) through telephone-based counseling and nicotine replacement therapy. Quit for Life® can be accessed at (888) 768-7848 or go online at www.QuitNow.net. The Plan provides a Wellness Incentive in the form of a $50.00 credit on the monthly premium cost for the employee when the covered employee and spouse do not use tobacco products.

The employee and spouse (if eligible under the Plan) who do not use tobacco products may file a Tobacco Attestation Form with the City's Human Resources Department and qualify for the Wellness Incentive credit. **The Plan provides for an annual recertification if there is a change in tobacco status. Report this change by submitting an updated Tobacco Attestation Form at open enrollment or at the time of a family status change.**

The Plan provides an alternative method for obtaining the Wellness Incentive if you or your eligible spouse are unable to participate in the tobacco cessation program; contact the Human Resources Department for information on the alternative method.

New employees must certify their tobacco status (and their spouse's tobacco status if covered as a dependent) upon enrollment for the Plan.

The Tobacco Cessation Program does **not** apply to Retirees.

## 2023 BENEFIT CHANGES

Employee life insurance benefits will be improved and the City is making a few minor benefit changes to the Health Plan. These Health Plan benefit changes enabled the City to have a rate-hold again for the coming year.

**Life Insurance - Benefit Changes**

- The life insurance benefit maximum is being increased from $75,000 to $100,000 for active employees.
- The dependent life insurance benefit for active employees is increasing from $2,000 to $5,000.
- Employees who retire on and after 1/1/2023 will not be provided a City-paid retiree life insurance benefit.
- Retired employees who retired prior to 1/1/2023 will have no changes to their life insurance benefits.

**Health Plan - Benefit Changes**

- The ***Emergency Room Copay*** is increasing to $250.
- The ***Out-of-Pocket Maximum*** is increasing to $4,000 individual and $8,000 family.
- The new ***Smart RxAssist Program*** will help with lowering your cost for some of the most expensive drugs. More details will be provided by Blue Cross when the program in implemented in January.

**All other benefits remain the same and there are no changes to the eligibility rules.**

## POST RETIREMENT BENEFITS

- Health Plan coverage is offered to employees whose most recent hire date is before 1/1/2015. Those hired on or after 1/1/2015 are not offered coverage under the Retiree-Only Health Plan but can continue coverage through COBRA.
- A retiring employee, their spouse and dependent children under the age of 19 are eligible for coverage under the Retiree-Only Health Plan. See benefits booklet for more details.
- The life insurance benefit is provided to retirees who are also covered under the Retiree-Only health plan and who retired by 12/31/2022.

## PREVENTIVE HEALTH SERVICES

In addition to medical benefits, the Health Plan offers important preventive care services, many of which are free to you. It is important for you to take advantage of preventive health services offered by the Plan. You can find a listing of these services at www.AlabamaBlue.com/preventiveservices.

Preventive health services include an annual physical examination which may detect a chronic illness such as high blood pressure, diabetes, cancer and other chronic illness.

## EMPLOYEE ASSISTANCE PROGRAM (EAP) – BAYVIEW PROFESSIONAL ASSOCIATES

The City's Employee Assistance Program (EAP) benefit through BayView Professional Associates offers you confidential counseling for personal, family, marital, grief, stress, substance abuse and other life situations. **Full-time employees and their dependents are provided up to 8 free visits per year, per family, for short-term counseling and referral services.**

For a confidential appointment contact BayView Professional Associates, 251-660-2360 or 251-450-2250, located at 1015 Montlimar Drive in Mobile.

## HEALTH PLAN – A MOST VALUABLE BENEFIT

The City of Mobile Health & Dental Plan is one of the best benefit plans offered in this area. It not only excels in the level of benefits offered but has one of the lowest employee cost-sharing requirements. The City is also unique in providing benefits through the Retiree-Only Health Plan after retirement and benefits for Medicare eligible retirees. The City also provides an employee term life insurance program and some life insurance benefits for those who retired by 12/31/22.

The City's Health & Dental Plan is increasing in cost. The cost increased by $2.7 million from 2019. The City has not increased the monthly cost sharing rates for employees and retirees since 2019. The City will hold the rates for 2023 making this the fourth consecutive year with no increase in cost to City employees and retirees. Cost is increasing for several reasons including:

- ▲ Inflation
- ▲ An aging population
- ▲ New medical technology
- ▲ Government regulations
- ▲ Poor population health
- ▲ New pharmaceutical treatments

### MOST COST EFFECTIVE

The City of Mobile is self-funded, meaning the City pays the cost of all medical/dental claims, and retains Blue Cross Blue Shield (BCBS) as the claim administrator. In addition to paying claims, BCBS manages the preferred provider network. BCBS negotiates fees with medical providers which significantly reduces costs for you and the Plan. The savings obtained by BCBS make this a most cost-effective health and dental plan, for example:

> *Total Billed Charges for Medical and Dental Plan were $66 million and, after being reduced by $27million (42%) because of negotiated fees, the Plan ends up paying about $38 million instead which is about 58% of the billed charges.*

Of the amount paid, the Employees paid 6.6% through deductibles, copays and coinsurance. The City paid the remaining 93.4% of the total benefit cost.

In addition, the City sponsors a Medicare Advantage Plan for its retirees who are eligible for Medicare. This Medicare Advantage Plan pays what Medicare does not pay for medical claims and provides an excellent pharmacy benefit.

## ADDITIONAL INFORMATION

### BLUE CROSS BLUE SHIELD

- ✓ Customer Service - 1-800-253-9305
- ✓ Tobacco Cessation Benefit – Quit for Life
  1-888-768-7848
- ✓ Baby Yourself – Prenatal Wellness Program
  1-800-222-4379
- ✓ Blue Cross Blue Shield Website
  www.AlabamaBlue.com
- ✓ BlueCard PPO Website
  www.provider.bcbs.com

### HUMAN RESOURCES DEPARTMENT

205 Government Street
4th Floor, South Tower
Mobile, AL 36602

251-208-7040

Email us at hr@cityofmobile.org

# CITY OF MOBILE RETIREE-ONLY HEALTH PLAN

## 2023 Benefit Year

City of Mobile
Human Resources Department
P.O. Box 1827
Mobile, AL 36633-1827
Phone: (251) 208-7040



## RETIREE-ONLY HEALTH PLAN

***Rate Hold Since 2019***

The City of Mobile offers a Retiree-Only Health Plan which is a separate and distinct plan of benefits sponsored by the City of Mobile. This Plan allows an employee retiring from the City of Mobile to continue coverage under the Plan based on the Retiree-Only Health Plan eligibility rules. The City sponsors this health plan for both Non-Medicare and Medicare retirees and their eligible dependents.

- Non-Medicare retirees and their dependents not eligible for Medicare will continue under the City of Mobile Health & Dental Plan administered by Blue Cross & Blue Shield of Alabama.
- The City of Mobile subsidizes the cost of benefits for all retirees. The retirees also pay a portion of the cost and the monthly rates for coverage are shown at **$94** for the single retiree and **$267** for retiree family (2-party) coverage.
- Medicare-eligible retirees and their Medicare-eligible dependents (by age 65 or disability) may continue coverage on the Humana Medicare Advantage Plan with drug coverage. Humana sets the monthly premium rate for this full insured plan. Medicare-eligible retirees and their Medicare-eligible dependents must enroll in both Parts A and B of Medicare; should there be non-Medicare dependents they may remain under the City's Health & Dental Plan until they are no longer a dependent or become Medicare eligible.
- When eligible, contact the Social Security Administration at (800) 772-1213 to ensure you are enrolled in Medicare Part B, and contact our local **Humana enrollment specialist at 251-401-3923** or customer service at (866) 396-8810 to enroll 30-40 days prior to birthday month because coverage becomes effective the first day of the member's birthday month. Should you miss this enrollment, you will no longer be covered on the City's Health plan. All retirees are required to apply in writing for the Retiree-Only Health Plan prior to the actual date of retirement. Once retired, no new dependents can be added to the plan; dependent child coverage ends at age 19.
- There are many Medicare supplement and advantage plans sold in the commercial insurance market. The Retiree should review those alternatives as some will have no or a lower monthly premium cost than the City of Mobile Retiree-Only Health Plan. If you choose another plan other than Humana, contact Human Resources for a Waiver Form.
- If you decide to drop the City's coverage, you must notify the Human Resources Department. Once coverage is dropped, you cannot return or re-enroll in the health plan. **The $6,000 of retiree Life Insurance provided by the City of Mobile will no longer be available when you waive City Retiree coverage.**

**Contact the City's Human Resources Department at 251-208-7040 for more information.**

## OPEN ENROLLMENT

### NOVEMBER 1 THROUGH DECEMBER 2, 2022

During Open Enrollment you may change your coverage from family to single. Throughout the year you must notify the City's Human Resources Department when you experience a change-in-status, and you must provide when requested evidence to support dependent status.

You are required to report if you have a child who reaches age **19** years, the maximum age for dependent coverage. You must also notify the Human Resources Department if you have a divorce.

Failure to notify the Human Resources Department of a change-in-status for a dependent will make the retiree liable for any medical expenses paid after the dependent is no longer eligible for coverage.

***Single $94    Family $267***

**If you have no changes, there is no need to notify Human Resources**.

# CITY OF MOBILE, ALABAMA (EMPLOYER)
## CITY OF MOBILE HEALTH & DENTAL PLAN
## CITY OF MOBILE RETIREE-ONLY HEALTH PLAN
### ANNUAL NOTICE CONCERNING FEDERAL LAWS & ACTS
### 2023 BENEFIT YEAR – DISTRIBUTION DATE OCTOBER 14, 2022

**City of Mobile**
**Human Resources Department**
**P.O. Box 1827**
**Mobile, AL 36633-1827**
**Phone: (251) 208-7059**

### INFORMATION ABOUT YOUR EMPLOYER PROVIDED HEALTH INSURANCE & HEALTH CARE REFORM

This notice provides important information about federal laws that affect your health coverage. It includes information about the policies and procedures of the Plan. Read this notice carefully and keep it with your important papers. This notice will assist you in understanding your rights and responsibilities under the Plan.

The Patient Protection & Affordable Care Act, known as the Affordable Care Act (ACA), was signed into law in 2010. ACA provides individuals with a new way to compare and purchase private health insurance plans through the Health Insurance Marketplace. The Marketplace is designed to help you find health insurance that meets your needs and fits your budget. Your Plan is designed to comply with this law:

1. The Plan provides “minimum essential coverage.” The Plan provides the type of coverage employees need in order to satisfy the individual responsibility requirement under the ACA.
2. The Plan meets the “minimum value” standard. The Plan’s share of the total allowed benefit costs covered by the Plan is no less than 60% of such costs.
3. The Plan’s employee cost-sharing rates are intended to meet the “affordable” standard. The employee cost for single coverage is intended to be no more than 9.12% of the employee’s household income.

While there is a new way to shop for health insurance on the Marketplace, you most likely will not be eligible to receive the premium tax subsidy because the health insurance offered by this Plan meets the ACA requirements. However, you should feel free to shop on the Marketplace and doing so will not affect your eligibility for this Plan. Health Insurance Marketplace: **www.healthcare.gov** or call: **1-800-318-2596**.

### NON-GRANDFATHERED STATUS

Effective January 1, 2017, the City of Mobile Health & Dental Plan is a “non-grandfathered plan” under the Affordable Care Act (ACA). The City of Mobile Health & Dental Plan will comply with all requirements of the ACA. The City of Mobile Retiree-Only Health Plan is not required to comply with the Affordable Care Act.

### AVAILABILITY OF SUMMARY OF BENEFITS & COVERAGE (SBC)

The Summary of Benefits and Coverage provides information for comparing this Plan with other health plans and you can use this to assist in determining which plan best meets your needs. The SBC is available online at **www.cityofmobile.org** or you may obtain the SBC, free of charge, by contacting the Human Resources Department 251 208-7059.

### PATIENT PROTECTION

The Plan does not restrict coverage to any specific physician and the individual may designate any primary care, pediatrician, obstetric, gynecological, or specialty care provider in the network. A list of covered physicians, hospitals, and other medical providers may be obtained from the Human Resources Department.

### PRIVACY NOTICE

The Plan and its associates, such as the claims administrator, adhere to and comply with the Privacy Act. The Plan and its associates have adopted practices and procedures to protect the privacy of your medical information. The Plan’s privacy policy in its entirety is available from the Human Resources Department.

### HEALTH FLEXIBLE SPENDING ACCOUNT (FSA)

There is a $2,500 annual limit on employee salary reduction to the Health Flexible Spending Account. Please note that over-the-counter drugs are not eligible for reimbursement without a doctor’s prescription. The annual limit for the Dependent Care Spending Account is $2,500 for single tax status and $5,000 for family tax status.

## SECTION 125 PREMIUM CONVERSION PLAN

All employees will automatically be enrolled in the Section 125 Premium Conversion Plan. The Section 125 Premium Conversion Plan allows you to pay your employee contribution with pre-tax dollars through salary reduction rather than regular pay. The employee contribution is deducted from your paycheck before taxes are taken out. This allows you to increase your spendable income by reducing your taxes. You may change your election for pre-tax premiums for the coming year during Open Enrollment or during the Plan Year if you incur a Change-In-Status Event.

## NOTICE OF A SPECIAL ENROLLMENT PERIOD FOR A CHANGE-IN-STATUS EVENT

If you or any family members declined coverage in the Plan when first eligible for coverage (or during the annual Open Enrollment), you may enroll in the Plan or enroll your Eligible Dependents when certain events cause a Change-In-Status. To make an enrollment change due to a Change-In-Status, you must contact the Human Resources Department within 60-days of the event (unless otherwise noted). Change-In-Status Events include:

1. A change in your marital status (marriage, divorce or death of your spouse).
2. A change in the number of your dependents (birth or adoption of a child, death of a child, obtaining legal custody or legal guardian status as evidenced by an order signed by a judge).
3. A change in your employment status (starting/ending employment, changing from part-time to full-time or vice versa, taking or returning from an approved leave).
4. A change in your spouse's employment (starting/ending employment, changing from part-time to full-time or vice versa, a strike or lockout, or taking or returning from an unpaid leave or leave under the FMLA or USERRA).
5. Exhaustion of your coverage period under a previous employer's COBRA continuation.
6. A significant change in the costs of or coverage provided by your spouse's employer-sponsored health plan.
7. A significant change in the costs of or coverage provided by this Plan.
8. A change in the eligibility status of a dependent child, such as the child reaching age 26, the maximum age.
9. An end to the Disability of a Disabled child enrolled as your dependent under the Plan.
10. A change in your residence or work site, or that of a spouse or dependent, which affects ability to access benefits under this or another employer-sponsored health plan.
11. A required change due to a court order.
12. You or your dependent(s) becoming entitled to Medicare or Medicaid.
13. You or your dependent(s) loss of coverage under Medicaid or a State Children's Health Insurance Plan (SCHIP) because of loss of eligibility. **Enrollment request must be made within 60 days of the termination of coverage.**
14. You or your dependent(s) becomes eligible for the premium assistance under Medicaid or SCHIP. **Enrollment request must be made within 60 days of becoming eligible for the premium assistance.**

## NOTICE OF YOUR RIGHT TO COBRA CONTINUATION OF COVERAGE UNDER THE PLAN

The right to COBRA continuation coverage was created by a federal law, the Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA). COBRA continuation coverage can become available to you and/or other members of your family who are covered under the Plan when you/they would otherwise lose group health coverage. For additional information about your rights and obligations under the Plan and under federal law, you may contact the Human Resources Department.

There are time limits on when a member may apply for the COBRA continuation of coverage. It is vital that you notify the Human Resources Department when there is a COBRA qualifying event that may affect your coverage or that of your dependent(s), such as:

- Your hours of employment are reduced.
- Your employment ends for any reason.
- Your spouse dies.
- Your spouse's employment ends.
- Your spouse's hours of employment are reduced.
- Your spouse becomes entitled to Medicare benefits.
- The child's parent-employee dies.
- The parent-employee's employment ends.
- The parents become divorced or legally separated.
- You become divorced or legally separated from a spouse.
- Hours of employment are reduced.
- The parent-employee becomes entitled to Medicare.
- The child stops being eligible for coverage under the Plan as an Eligible Dependent.

You can obtain COBRA information by contacting the Human Resources Department. A copy of the Summary Plan Description explaining the coverage and your rights under the Act will be mailed to you free of charge.

## ALTERNATIVES TO COBRA CONTINUATION COVERAGE

There may be health insurance coverage options for you and your family in addition to COBRA continuation coverage. The Health Insurance Marketplace offers a new way to shop for health insurance and you may be eligible for a tax credit that lowers your monthly premiums. Marketplace coverage may be less expensive than COBRA coverage for many individuals, and, unlike COBRA coverage, is available indefinitely. Being eligible for COBRA does not limit your eligibility for coverage and the tax credit through the Marketplace. Additionally, you may qualify for a special enrollment opportunity through the Marketplace or another group health plan (such as your spouse's plan), if you request enrollment within 30 days of a qualifying event. **Visit or call the Health Insurance Marketplace at www.healthcare.org or 1-800-318-2596.**

## NOTICE OF THE PLAN'S OPT-OUT OF SOME FEDERAL REGULATIONS

The Plan has elected to opt-out of certain federal regulations including: the Health Insurance Portability & Accountability Act of 1996 (HIPAA), as amended by the Affordable Care Act; the Newborns' & Mothers' Health Protection Act of 1996 (NMHPA); the Mental Health Parity Act of 1996 (MHPA); the Mental Health Parity & Addiction Equity Act of 2008; and Michelle's Law (2008). The Plan does comply with the HIPAA provisions for special enrollment rules and the discrimination based on health status rules.

1. **Health Insurance Portability & Accountability Act (HIPAA):** Many of the provisions of HIPAA do not apply to the Plan, or the Plan is already in compliance with these provisions. For example, HIPAA requires a special enrollment period for employees who incur a Change-In-Status Event concerning eligibility of family members. This benefit has always been offered under the Plan. HIPAA prohibits group health plans from discriminating against employees on the basis of health status; the Plan has never imposed discriminatory rules.
2. **Mental Health Parity Act (MHPA):** The Act does not allow plans to establish financial or quantitative treatment limits on mental health or substance use disorders. The Plan provides treatment for mental and nervous conditions as well as substance abuse, but limits coverage with both financial and treatment benefit maximums.
3. **Mental Health Parity & Addiction Equity Act of 2008 (MHPAEA):** The MHPAEA expands MHPA by establishing parity of mental health and substance use benefits to include substance use disorder benefits as well as mental health benefits; prohibits applying financial requirements or treatment limitations that are more restrictive than the predominant financial requirement or treatment limitations that apply to substantially all medical and surgical benefits. The Plan's opt-out of this federal act does not exempt the Plan from the Affordable Care Act's requirement that a non-grandfathered plan provide mental health and substance use disorder benefits as essential health benefits with no maximum dollar limits. You should consult with your medical provider and the claims administrator to coordinate your care within the benefits offered by your Plan. You may review the mental health and substance use disorder benefits provided under the Plan using the Summary of Benefits & Coverage which is available at the website or a paper copy can be obtained from the Human Resources Department.
4. **Newborns' & Mothers' Health Protection Act (NMHPA):** The NMHPA establishes minimum in-patient hospital stays for newborns and mothers following delivery, based on medical necessity. The Plan has never imposed limitations regarding the length of an in-patient hospital stay following delivery. The Plan's decision to opt-out of NMHPA will have no effect on current or new employees.
5. **Women's Health & Cancer Rights Act:** The Plan complies with the Women's Health & Cancer Rights Act, providing the following benefit: medical benefits for mastectomies for treatment of breast cancer, including reconstructive surgery of the breast on which the mastectomy was performed, and of the other breast to produce a symmetrical appearance, prosthesis, and coverage of physical complications resulting from all stages of the mastectomy, including lymphedema. Coverage of prosthesis includes initial placement of prosthesis and replacements as determined to be Medically Necessary. Coverage of prosthesis includes the brassiere required to hold the prosthesis, limited to a Plan Year Maximum Benefit of four (4) brassieres.
6. **Michelle's Law:** Provides that a group health plan may not terminate coverage of a full-time student due to a medically necessary leave of absence. The ACA requires coverage of a dependent to extend to age 26 regardless of full-time student status. The Plan complies with the ACA and extends coverage to dependent children to age 26 regardless of student status.

The Plan contains limitations and exclusions for some services and expenses and the Summary Plan Description booklet will assist you in understanding these limitations. You and your physician or medical provider ultimately decide on the medical treatment that best manages your medical condition and this may include medical care that is not covered by the Plan.

## CITY OF MOBILE, ALABAMA (EMPLOYER) - EMPLOYER IDENTIFICATION NUMBER 63-6001318

## CITY OF MOBILE EMPLOYEE HEALTH & DENTAL PLAN (PLAN)

## THIS NOTICE APPLIES ONLY TO MEDICARE ELIGIBLE EMPLOYEES AND DEPENDENTS

## IMPORTANT NOTICE ABOUT YOUR PRESCRIPTION DRUG COVERAGE AND MEDICARE – 2023

***ATTENTION: THIS NOTICE DOES NOT APPLY TO RETIRED EMPLOYEES***

Please read this notice carefully and keep it where you can find it. This notice has information about your current prescription drug coverage with the Plan and 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 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 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. The prescription drug coverage offered by the Plan 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 through 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-month Special Enrollment Period 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 coverage under the Plan will not be affected. The Plan will maintain coverage as the primary payer to Medicare Part D for any individual who elects Medicare Part D. If you do decide to join a Medicare drug plan and drop your coverage under the Plan, be aware that you and your dependents will not be able to get this coverage back until the next open enrollment period.

**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 the Plan 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 increase 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 nineteen 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 November to join.

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

Contact the Department of Personnel Management – Insurance Section for more information. You will receive this notice each year. You will also receive this notice before the next period you can join a Medicare drug plan and if coverage through the Plan changes. You may request a copy of this notice from the Department of Personnel Management – Insurance Section 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*** *or:*

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

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 1-800-772-1213 (TTY 1-800-325-0778). **Keep this Creditable Coverage notice. If you decide to join a Medicare drug plan, you may be required to provide a copy of this notice when you join to show that you have maintained creditable coverage and therefore, are not required to pay a higher premium.**

**City of Mobile**
**Human Resources Department**
**P.O. Box 1827**
**Mobile, AL 36633-1827**

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## CITY OF MOBILE, ALABAMA (EMPLOYER) – CITY OF MOBILE HEALTH & DENTAL PLAN (PLAN)

### Medicaid, Children's Health Insurance Program (CHIP) & The Marketplace Offer Free or Low-Cost Health Coverage to Children and Families

If you or your children are eligible for Medicaid or CHIP and you're eligible for health coverage from your employer, your state may have a premium assistance program that can help pay for coverage, using funds from their Medicaid or CHIP programs. If you or your children aren't eligible for Medicaid or CHIP, you won't be eligible for these premium assistance programs, but you may be able to buy individual insurance coverage through the Health Insurance Marketplace. For more information, visit www.healthcare.gov.

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

If you or your dependents are NOT currently enrolled in Medicaid or CHIP, and you think you or any of your dependents might be eligible for either of these programs, contact your State Medicaid or CHIP office or dial 1877-KIDS NOW or www.insurekidsnow.gov to find out how to apply. If you qualify, ask your state if it has a program that might help you pay the premiums for an employer-sponsored plan.

If you or your dependents are eligible for premium assistance under Medicaid or CHIP, as well as eligible under your employer plan, your employer must allow you to enroll in your employer plan if you aren't already enrolled. This is called a "special enrollment" opportunity, and you must request coverage within 60 days of being determined eligible for premium assistance. If you have questions about enrolling in your plan, contact the Department of Labor at www.askebsa.dol.gov or call 1-866-444-EBSA (3272).

If you live in one of the following states, you may be eligible for assistance paying your employer health plan premiums. The following partial list of states is current as of July 31, 2019. Contact your State for more information on eligibility:

**Alabama Medicaid & Premium Assistance**
www.medicaid.alabama.gov
1-855-692-5447 or 1-800-362-1504

**Georgia Medicaid**
http://dch.georgia.gov/medicaid
1-404-656-4507

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

**Florida Medicaid** – 1-877-357-3268
http://flmedicaidtplrecovery.com/hipp/

**Louisiana Medicaid**
http://dhh.louisiana.gov/index.cfm/subhome/1/n/331
1-888-695-2447

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