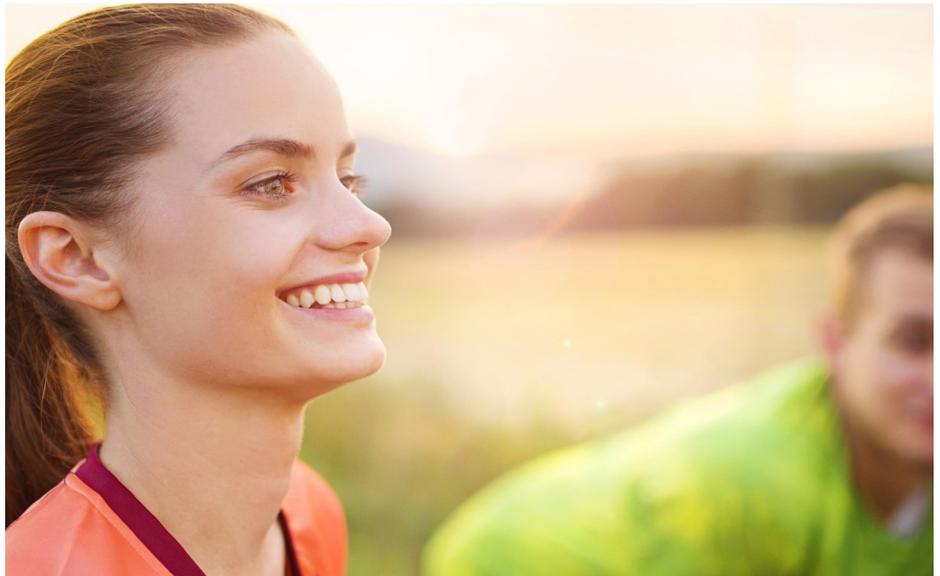




Employee Benefit Guide

July 1, 2016



Martinsville

A CITY WITHOUT LIMITS

The City of Martinsville is committed to a comprehensive employee benefit program that helps our employees stay healthy, feel secure, and maintain a work/life balance. Our employees are our greatest resource and we consider the investment we make in our benefits package as an investment in the health and well being of our employees. As you know the benefits landscape is changing. We review the benefit program each year and makes changes to benefit offerings as necessary to keep coverage competitive and affordable.

Enrollment

You **MUST** enroll for benefits during the designated annual Open Enrollment period.

New Hires

You are eligible for benefits on the first day of the month following your date of hire (unless you are hired on the first day of the month). You may only make changes to your coverage during the year if you experience a Qualifying Life Event.

Who is eligible?

Employees who work on average at least 30 hours per week are eligible for Medical benefits.

Employees classified as Full-Time are eligible for Dental and Vision benefits.

When Can I Make Changes?

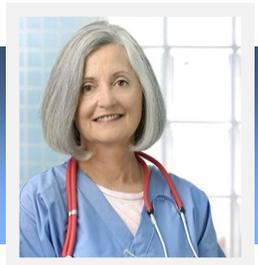
Once you make your benefit elections, federal tax laws say you cannot change your elections during the year unless you have a qualified family status change, as defined by the IRS. Eligible changes that may allow you to change some or all of your elections, sometimes called “life events”, include:

- Birth, adoption, or legal custody of a child
- Marriage, divorce, or legal separation
- Death of a spouse or child
- Change in a spouse’s coverage due to change in employment or annual enrollment
- Gain or loss of dependent’s eligibility
- Expiration of COBRA coverage
- Loss of eligibility due to reduction in hours
- Significant change in health care premium contributions
- Enrollment in the Marketplace (Exchange)

IMPORTANT! If you experience one of the above Qualifying Life Events, you must notify Human Resources **within 30 days of the event** and make any desired benefit changes. You may be required to submit documentation of the life event.

Medical Insurance

Provider: Anthem



Plan Features (In-Network)	Lumenos 478 HSA Plan
Deductible	Individual: \$3,000 Family: \$6,000
Coinsurance	100% / 0%
Out of Pocket Maximum	Individual: \$4,000 Family: \$8,000
Office Visit– Primary	0% after deductible
Office Visit– Specialist	0% after deductible
Preventive Care	No copayment 100% covered by the plan
Live Health On-Line	\$49 copay
Urgent Care	0% after deductible
Emergency Room Visit	0% after deductible
Hospital– Inpatient	0% after deductible
Vision– Routine Eye Exam	\$15 copay
Specialty Diagnostic	0% after deductible
Prescription Drug copayments (30-day local pharmacy)	\$10 / \$30 / \$50 / 20% after deductible
Prescription Drug copayments (90-day mail order pharmacy)	\$25 / \$75 / \$125 after deductible
Prescription Drug copayments (90-day local pharmacy)	\$30 / \$90 / \$150 after deductible
Lifetime Maximum	Unlimited

Health Savings Account (HSA)



Health Savings Accounts

Your Health Savings Account is administered by Stanley Hunt Dupree & Rhine located in Greenville, South Carolina. In order to receive your employer HSA contribution and enable your contributions to be pre-taxed, you must have an HSA account with Stanley Hunt Dupree & Rhine.

The City of Martinsville will make contributions to your HSA account for the 2016 benefit year. Employees enrolled in the health insurance will receive \$250 and be eligible for an additional \$250 upon completion of the Health Risk Assessment available on Anthem's website for a total of \$500. Employees covering dependents will also receive \$250 and be eligible for an additional \$250 upon completion of the Health Risk Assessment. If all family members covered on the health plan complete the Health Risk Assessment, the City will contribute an additional \$480 for a total of \$980. Employees must submit a certificate of completion to Human Resources in order to receive the reimbursement. The initial \$250 contribution will be made in one lump sum in July 2016 by the 15th. Contributions will be prorated based upon your date of enrollment. **Note:** If you, the employee, complete a physical exam, you will receive an additional one time \$220 contribution to your HSA account. The time frame for physicals is July 1, 2016 to June 30, 2017.

HSA Eligibility

- ⇒ Covered under a qualified high deductible health plan on the first day of the month
- ⇒ Not covered by any other plan, including your spouse's health insurance
- ⇒ Not covered by your own or spouse's Medical Flexible Spending Account (FSA)
- ⇒ Not enrolled in any part of Medicare or Tricare
- ⇒ Have not received Veteran's health benefits in the past 90 days
- ⇒ Not claimed as a dependent on another person's tax return

HSA Limits for 2016

- HSA participants may contribute up to \$3,350 for an individual account
- HSA participants may contribute up to \$6,750 for a family account

Remember to deduct the City's contribution before you make your election. These contributions are 100% tax deductible from your gross income. If you are 55 or older, you are allowed an additional \$1,000 catch-up contribution.

Health Reimbursement Account (HRA)



The City of Martinsville provides HRA accounts for all employees enrolled in the medical plan. The HRA account will pay the last \$1,000 of your deductible for single coverage or the last \$1,000 of your deductible for a maximum of two (2) individuals covered under your plan, including yourself. The HRA will not pay more than \$2,000 under any scenario. The plan is administered by Stanley, Hunt, Dupree & Rhine. You are automatically enrolled if you are covered by the Anthem medical plan. Please see information provided on how to submit claims for reimbursement.

Anthem Live Health On Line

Online Health Care When You Need It!



Service for Life Health Online

Enroll at livehealthonline.com

- ✓ Log on
- ✓ Choose a doctor
- ✓ Start your consultation

Online Care using LHO is a covered benefit, paid at “in-network” level.

You can log in and talk to a doctor within a few minutes.

Doctors are available seven days a week, 24 hours per day.

Quick and easy way to see a doctor anywhere you have an internet connection.

ePrescribing to your local pharmacy.

Mobile Devices can now access LHO by downloading the LiveHealth Online mobile app.

You will be required to give a credit card when you log in and before you speak with a doctor.

You will be charged an average fee of \$49 which will be applied to your deductible.

Family members who are not covered by the medical plan may also use LHO for an average fee of \$49.

Employees can use Live Health Online for non-urgent matters like:

**Cold and flu symptoms
Urinary tract Infection
Diarrhea**

**Bronchitis
Allergies
Sinus Infections**

Dental Insurance

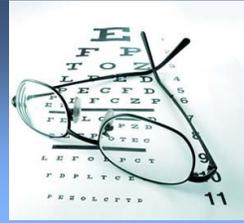
Provider: Delta Dental of Virginia



Delta Dental Premier PPO	Plan Design	Benefit Wait Period
Annual Deductible <i>(does not apply to Preventative or Orthodontics)</i>	Individual—\$50 Family—\$150	N/A
Annual Benefit Maximum per Enrollee	\$1,000	N/A
Preventative Services Oral Exams and Cleanings, Bitewing X-rays, Full Mouth X-rays (once in a 5-year period), Space Maintainers	100%	None
Basic Services Fillings, Stainless Steel Crowns, Oral Surgery, Denture Repair, Sealants, Endodontic Services (root canal therapy), Periodontic Services (scaling and root planing, soft tissue and bony surgery)	80%	None
Major Services Crowns, Dentures, Bridges, Implants (NEW FOR 2016)	50%	12 Months
Orthodontics <i>(for dependent children under age 19)</i>	50% (up to \$1,000)	12 Months

Vision Insurance

Provider: UniCare (UniView Vision)



UniView Vision		
Services	Benefit Frequency	Copayment at a Network Provider
Exam	Once every 12 months	\$10
Frames	Once every 24 months	\$0—see Benefit Allowance below
Lenses	Once every 12 months	\$20
Contact Lenses (<i>in Lieu of Eye Glasses</i>)	Once every 12 months	\$0—see Benefit Allowance below

You are eligible to select only one of either Eyeglass lenses **or** Contact Lenses. If you select more than one of these Services, only one service will be covered; however, you will be eligible for discounts off the additional products.

Benefit Allowance:

- Frames: \$130 plus receive 20% off remaining balance
- Elective Contact Lenses: \$130 plus receive 15% off remaining balance for conventional lenses; additional discount not available on disposable contact lenses)

Out of Network Allowances available when utilizing non-participating provider. Must file reimbursement form.

The City of Martinsville Annual Notices

HIPAA SPECIAL ENROLLMENT

If you are declining enrollment for yourself or your dependents (including your spouse) because of other health insurance or group health plan coverage, you may be able to enroll yourself and your dependents in this plan if you or your dependents lose eligibility for that other coverage (or if the employer stopped contributing towards your or your dependents' other coverage). However, you must request enrollment within 30 days after your or your dependents' other coverage ends (or after the employer stops contributing toward the other coverage).

In addition, if you have a new dependent as a result of marriage, birth, adoption, or placement for adoption, you may be able to enroll yourself and your dependents. However, you must request enrollment within 30 days after the marriage, birth, adoption, or placement for adoption.

Finally, if you or an eligible dependent has coverage under a state Medicaid or child health insurance program and that coverage is terminated due to a loss of eligibility, or if you or an eligible dependent become eligible for state premium assistance under one of these programs, you may be able to enroll yourself and your eligible family members in the Plan. However, you must request enrollment no later than 60 days after the date the state Medicaid or child health insurance program coverage is terminated or the date you or an eligible dependent is determined to be eligible for state premium assistance.

To request special enrollment or obtain more information, contact the plan administrator at the end of these notices.

Medicaid and the Children's Health Insurance Program (CHIP) 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, you can contact your State Medicaid or CHIP office to find out if premium assistance is available.

If you or your dependents are NOT currently enrolled in Medicaid or CHIP, and you think you or any of your dependents might be eligible for either of these programs, you can contact your State Medicaid or CHIP office or dial **1-877-KIDS NOW** or www.insurekidsnow.gov to find out how to apply. If you qualify, you can ask the State if it has a program that might help you pay the premiums for an employer-sponsored plan.

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 employer 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 list of States is current as of July 31, 2015. Contact your State for more information on eligibility –

NORTH CAROLINA – Medicaid
Website: http://www.ncdhhs.gov/dma Phone: 919-855-4100

VIRGINIA – Medicaid and CHIP
Medicaid Website: http://www.coverva.org/programs_premium_assistanc_e.cfm
Medicaid Phone: 1-800-432-5924
CHIP Website: http://www.coverva.org/programs_premium_assistanc_e.cfm
CHIP Phone: 1-855-242-8282

To see if any more States have added a premium assistance program since July 31, 2015, or for more information on special enrollment rights, you can contact either:

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

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

Newborns Act Disclosure

Group health plans and health insurance issuers generally may not, under Federal law, restrict benefits for any hospital length of stay in connection with childbirth for the mother or newborn child to less than 48 hours following a vaginal delivery, or less than 96 hours following a cesarean section. However, Federal law generally does not prohibit the mother's or newborn's attending provider, after consulting with the mother, from discharging the mother or her newborn earlier than 48 hours (or 96 hours as applicable). In any case, plans and issuers may not, under Federal law, require that a provider obtain authorization from the plan or the issuer for prescribing a length of stay not in excess of 48 hours (or 96 hours).

Women's Health and Cancer Rights Act of 1998

If you have had or are going to have a mastectomy, you may be entitled to certain benefits under the Women's Health and Cancer Rights Act of 1998 (WHCRA). For individuals receiving mastectomy-related benefits, coverage will be provided in a manner determined in consultation with the attending physician and the patient, for:

- all stages of reconstruction of the breast on which the mastectomy was performed;
- surgery and reconstruction of the other breast to produce a symmetrical appearance;
- prostheses; and
- treatment of physical complications of the mastectomy, including lymphedema.

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

For purposes of this notice, the plan administrator is:

Kathy Vernon
Plan Administrator
276-403-5181

Important Notice from the City of Martinsville About Your Prescription Drug Coverage and Medicare

Medicare Part D Creditable Coverage Notice

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

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

1. Medicare prescription drug coverage became available in 2006 to everyone with Medicare. You can get this coverage if you join a Medicare Prescription Drug Plan or join a Medicare Advantage Plan (like an HMO or PPO) that offers prescription drug coverage. All Medicare drug plans provide at least a standard level of coverage set by Medicare. Some plans may also offer more coverage for a higher monthly premium.
2. The City of Martinsville has determined that the prescription drug coverage offered by the Lumenos HSA 478 group health plan through the City of Martinsville is, on average for all plan participants, expected to pay out as much as standard Medicare prescription drug coverage pays and are therefore considered Creditable Coverage. Because your existing coverage is Creditable Coverage, you can keep this coverage and not pay a higher premium (a penalty) if you later decide to join a Medicare drug plan.

When Can You Join A Medicare Drug Plan?

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

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

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

If you decide to join a Medicare drug plan, your current coverage through the City of Martinsville will not be affected. You can keep this coverage if you elect part D and this plan will coordinate with Part D coverage. See pages 7- 9 of the CMS Disclosure of Creditable Coverage To Medicare Part D Eligible Individuals Guidance (available at <http://www.cms.hhs.gov/CreditableCoverage/>), which outlines the prescription drug plan provisions/options that Medicare eligible individuals may have available to them when they become eligible for Medicare Part D.

If you do decide to join a Medicare drug plan and drop your current group health coverage through the City of Martinsville be aware that you and your dependents will be able to get this coverage back subject to the terms and requirements of such group medical plan.

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 City of Martinsville and don't join a Medicare drug plan within 63 continuous days after your current coverage ends, you may pay a higher premium (a penalty) to join a Medicare drug plan later.

If you go 63 continuous days or longer without creditable prescription drug coverage, your monthly premium may go up by at least 1% of the Medicare base beneficiary premium per month for every month that you did not have that coverage. For example, if you go 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 October to join.

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

Contact the person listed below for further information. **NOTE:** You'll get this notice each year. You will also get it before the next period you can join a Medicare drug plan, and if this coverage through the City of Martinsville changes. You also may request a copy of this notice at any time.

For More Information About Your Options Under Medicare Prescription Drug Coverage...

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

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

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

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

Name of Entity/Sender: The City of Martinsville
Contact: Kathy Vernon
Phone Number: 276-403-5181

Who to Contact



Medical

Customer Service Telephone
Web Address

Anthem

800-451-1527
www.anthem.com

Dental

Customer Service Telephone
Web Address

Delta Dental

800-237-6060
www.deltadentalva.com

Vision

Customer Service Telephone
Web Address

UniCare (UniView Vision)

888-884-8428
www.anthem.com (Blue View
Vision providers are also UniView
Vision providers)

Health Savings Account (HSA)

Customer Service Telephone
Web Address

Stanley Hunt Dupree and Rhine

800-768-4873
www.shdr.com

Health Reimbursement Account (HRA)

Customer Service Telephone
Web Address

Stanley Hunt Dupree and Rhine

800-768-4873
www.shdr.com

This Guide is only intended to offer an outline of benefits. Full benefit details of your plans are stated in the group insurance documents, including any disclosures (whether regarding “grandfathering” of plans or others) required by the new health reform law, the Patient Protection and Affordable Care Act (PPACA). In the event of conflict between this guide and the group insurance documents, the insurance documents will prevail. Nothing in this benefit booklet constitutes a contract and all benefits are subject to change without notice. Please contact your Human Resources Department for further information.

BB&T Insurance Services

GLOBAL RESOURCES – CLIENT FOCUSED