2013 EMPLOYEE BENEFITS PLAN

Annual Health Benefit Notices

Prepared for:

Long Beach Community College

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July 1, 2013

To obtain more information regarding any of the information listed in this packet, if you have any questions or complaints, please contact:
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Plans are required to provide each covered participant and dependent a Certificate of Creditable Coverage to qualify for enrollment in Medicare Part D prescription drug coverage when qualified without a penalty. This notice also provides a written procedure for individuals to request and receive Certificates of Creditable Coverage.

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Medicare Part D Notice of Creditable Coverage

Important Notice from Long Beach Community College About Your Prescription Drug Coverage and Medicare

Please read this notice carefully and keep it where you can find it. This notice has information about your current prescription drug coverage with Long Beach Community College 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. Long Beach Community College has determined that the prescription drug coverage offered by the Anthem and Kaiser plans 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 (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 with Long Beach Community College will not be affected. Your current coverage pays for other health expenses in addition to prescription drug. If you enroll in a Medicare prescription drug plan, you and your eligible dependents will still be eligible to receive all of your current health and prescription drug benefits.

If you decide to join a Medicare drug plan and drop your current medical plan coverage, be aware that you and your dependents will be able to get this coverage back. You (and your dependents — if applicable) can re-enroll during an open enrollment period or upon a special enrollment period as provided by HIPAA or applicable state law. Normal plan eligibility rules apply.

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 Long Beach Community College 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 on the cover of this document for further information. NOTE: You’ll receive this notice each year. You will also receive it before the next period you can join a Medicare drug plan, and if this coverage through Long Beach Community College 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 receive 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; or
- Call 1-800-MEDICARE or (800) 633-4227. TTY users should call (877) 486-2048.

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

To Request Creditable Coverage For Prescription Drug Coverage and Medicare on Long Beach Community College Medicare Prescription Drug Plans

The Medicare Modernization Act (MMA) imposes a late enrollment penalty on individuals who do not maintain Creditable Coverage for a period of 63 days or longer following their initial enrollment period for the Medicare prescription drug benefit. MMA mandates that certain entities offering prescription drug coverage, including employer and union group health plan sponsors, disclose to all Medicare eligible individuals with prescription drug coverage under the plan whether such coverage is “creditable.” This information is essential to an individual's decision whether to enroll in a Medicare Part D prescription drug plan.

Please refer to this Medicare Creditable Coverage Notice for information about your current prescription drug coverage with Long Beach Community College 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.

In the future you may decide to join one of the Medicare drug plans and you may be required to provide a copy of the Prescription Creditable Coverage Notice when you join to show whether or not you have maintained creditable coverage. This is important as you may be required to pay a higher premium (a penalty) if you have not had Creditable Coverage.

If you need to request a personal Creditable Coverage Certificate for Long Beach Community College’s medical plans, please

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<td>HMO Member Services</td>
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<td>(800) 227-3771</td>
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<td>PPO Member Services</td>
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<td>(800) 759-3030</td>
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<td>Kaiser</td>
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<td>HMO Member Services</td>
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<td>(800) 464-4000</td>
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To obtain more information, please call or email the contact listed on the cover of this document.

Source: CMS, April 2011
Our Company’s Pledge to You
This notice is intended to inform you of the privacy practices followed by Long Beach Community College’s Group Health Plan. It also explains the federal privacy rights afforded to you and the members of your family as plan participants covered under a group health plan.

As a plan sponsor, Long Beach Community College often needs access to health information in order to perform plan administrator functions. We want to assure the plan participants covered under our group health plan that we comply with federal privacy laws and respect your right to privacy. We require all members of our workforce and third parties that are provided access to health information comply with the privacy practices outlined below.

Uses and Disclosures of Health Information
- **Health Care Operations:** We use and disclose health information about you in order to perform plan administration functions such as quality assurance activities, resolution of internal grievances, and evaluating plan performance. For example, we review claims experience in order to understand participant utilization and to make plan design changes that are intended to control health care costs.
- **Payment:** We may also use or disclose identifiable health information about you without your written authorization in order to determine eligibility for benefits, seek reimbursement from a third party, or coordinate benefits with another health plan under which you are covered. For example, a health care provider that provided treatment to you will provide us with your health information. We use that information in order to determine whether those services are eligible for payment under our group health plan.
- **Treatment:** Although the law allows use and disclosure of your health information for purposes of treatment, as a plan sponsor we generally do not need to disclose your information for treatment purposes. Your physician or health care provider is required to provide you with an explanation of how they use and share your health information for purposes of treatment, payment, and health care operations.
- **As Permitted or Required by Law:** We may also use or disclose your health information without your written authorization for other reasons as permitted by law. We are permitted by law to share information, subject to certain requirements, in order to communicate information on health-related benefits or services that may be of interest to you, respond to a court order, or provide information to further public health activities (e.g. preventing the spread of disease) without your written authorization. We are also permitted to share health information during a corporate restructuring such as a merger, sale, or acquisition. We will also disclose health information about you when required by law, for example, in order to prevent serious harm to you or others.
- **Pursuant to your Authorization:** When required by law, we will ask for your written authorization before using or disclosing your identifiable health information. If you choose to sign an authorization to disclose information, you can later revoke that authorization to cease any future uses or disclosures.

Individual Rights
- **Right to Inspect and Copy:** In most cases, you have a right to inspect and copy the health information we maintain about you. If you request copies, we will charge you $0.05 (5 cents) for each page. Your request to inspect or review your health information must be submitted in writing to the person listed on the cover of this document.
- **Right to an Accounting of Disclosures:** You have a right to receive a list of instances where we have disclosed health information about you for reasons other than treatment, payment, or related administrative purposes.
- **Right to Amend:** If you believe that information within your records is incorrect or if important information is missing, you have a right to request that we correct the existing information or add the missing information.
- **Right to Request Restrictions:** You may request in writing that we not use or disclose information for treatment, payment, or other administrative purposes except when specifically authorized by you, when required by law, or in emergency circumstances. We will consider your request, but are not legally obligated to agree to those restrictions.
- **Right to Request Confidential Communications:** You have a right to receive confidential communications containing your health information. We are required to accommodate reasonable requests. For example, you may ask that we contact you at your place of employment or send communications regarding treatment to an alternate address.
- **Right to Receive a Paper Copy of this Notice:** If you have agreed to accept this notice electronically, you also have a right to obtain a paper copy of this notice from us upon request. To obtain a paper copy of this notice, please contact the person listed on the cover of this document.
Our Legal Duties
We are required by law to protect the privacy of your information, provide this notice about information practices, and follow the information practices that are described in this notice. We may change our policies at any time. Before we make a significant change in our policies, we will provide you with a revised copy of this notice. You can also request a copy of our notice at any time.

Complaints
If you are concerned that we have violated your privacy rights, or you disagree with a decision we made about access to your records, you may contact the person listed on the cover of this document. You also may send a written complaint to the U.S. Department of Health and Human Services — Office of Civil Rights. We can provide you with the appropriate address upon request or you may visit www.hhs.gov/ocr for further information.

To obtain more information, please call or email the contact listed on the cover of this document.

Source: Zywave, 2008

Women’s Health & Cancer Rights Act (WHCRA)

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 states 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 the medical plan. For information regarding medical plan benefits, such as deductibles and coinsurance applicable to your plan, see the plan summary or Evidence of Coverage booklet.

To obtain more information on WHCR benefits, please call or email the contact listed on the cover of this document.

Source: Department of Labor, June 2011

Newborn and Mother’s Health Protection Act

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 insurance issuer for prescribing a length of stay not in excess of 48 hours (or 96 hours).

To obtain more information, please call or email the contact listed on the cover of this document.

Source: Department of Labor, June 2011
Special Enrollment Rights

If you are declining enrollment for yourself or your dependent (s) (including your spouse) because of other health insurance or group health plan coverage, you may be able to enroll yourself and your dependents if you or your dependent(s) lose eligibility for other coverage (or if the employer stops contributing toward your or your dependents’ other coverage).

Long Beach Community College’s group health plan will allow you and your eligible dependents who are not enrolled for coverage, to enroll for coverage if either of the following events occur:

- **Loss of Other Coverage:** A special enrollment opportunity occurs when either you or your dependent (s) had other health coverage but are no longer eligible for that coverage. You must notify your employer’s plan within 30 days of the date of the event. The loss of eligibility may have occurred for a number of reasons, including the following:
  - Termination of employment
  - Reduction in hours of employment
  - Divorce or legal separation
  - Exhaustion of COBRA coverage (loss of eligibility due to failure to pay premiums or termination for cause does not create a special enrollment opportunity)
  - Loss of eligibility for Medicaid or CHIP

- **Marriage, Birth or Adoption:** Marriage, birth, and adoption create special enrollment opportunities for the current employee and he or her spouse and new dependent (s). You must notify your employer’s plan within 30 days of the date of the event.

- **Loss of Eligibility for State Children’s Health Insurance Program (SCHIP) or Medicaid:** Eligible participants (which may include dependents of participants) who are not enrolled in the Plan have the right to enroll in the Plan for coverage in the event the eligible participant’s enrollment in a SCHIP or as an enrollee in Medicaid is terminated due to a loss of eligibility. Eligible individuals must be given 60 days after the loss of coverage or determination of eligibility for assistance to request coverage under the group health plan.

- **Eligibility for Premium Subsidy Under Children’s Health Insurance Program Reauthorization Act of 2009 (CHIPRA):** In the event that a participant or an eligible participant becomes eligible for premium assistance subsidy through SCHIP or Medicaid, that eligible participant shall have 60 days to notify the plan administrator in writing of their interest in enrollment, provide proof of eligibility and provide the necessary information to complete the enrollment.

- **Disenrollment Rights Due to Eligibility for SCHIP:** In the event that a participant in the Plan becomes eligible for enrollment in Medicaid or a SCHIP program, that participant is permitted to terminate their group coverage by providing notice of eligibility for the publically-funded health program and completing the necessary paperwork to terminate the existing coverage through the group health plan.

To request special enrollment or obtain more information, please call or email the contact listed on the cover of this document.

Source: Department of Labor, June 2011

Medicaid & Children’s Health Insurance Program

If you are eligible for health coverage from Long Beach Community College, but are unable to afford the premiums, some States have premium assistance programs that can help pay for coverage. These States use funds from their Medicaid or CHIP programs to help people who are eligible for employer-sponsored health coverage, but need assistance in paying their health premiums.

If you or your dependents are already enrolled in Medicaid or CHIP, you can contact your State Medicaid 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 your or any of your dependents might be eligible for either of these programs you can contact your State Medicaid 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.

(continued on following page)
Once it is determined that you or your dependent are eligible for premium assistance under Medicaid or CHIP, our health plan is required to permit you and your dependents to enroll in the plan - as long as you and your dependents are eligible, but not already enrolled in our plan. This is called a “special enrollment” opportunity, and you must request coverage within 60 days of being determined eligible for premium assistance. If you have questions about enrolling in your employer plan, you can contact the Department of Labor electronically at www.askebsa.dol.gov or by calling toll-free 1-866-444 EBSA (3272).

Use the contact information below to obtain further eligibility information:

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<th>U.S. Department of Labor—Employee Benefits Security Administration</th>
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<th>U.S. Department of Health and Human Services—Center for Medicare &amp; Medicaid Services</th>
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Source: Department of Labor, April 13, 2013