

OPEN ENROLLMENT



Open Enrollment Period – December 12, 2006 through December 20, 2006
Benefit Period – January 1, 2007 through December 31, 2007

WHAT DO YOU NEED TO DO DURING THE OPEN ENROLLMENT PERIOD?

- If you want to participate in the Section 125 Plan, you must enroll each year. **Your current Section 125 plan election will NOT carry over.**
- If you don't want to make any changes to your current benefit elections, and you do not want to participate in the Section 125 Plan for 2007, you don't need to take any action. All of your current benefit elections (except Section 125) will automatically carry over and remain effective.
 - **There is a slight increase in the employee portion of the dental premiums.**
 - **If you cover dependent children, it is important that you understand our new dependent child definition. Preferred Health Systems (medical) and Delta Dental (dental) will no longer have a full-time student requirement. Dependent children will now be covered through the end of the month they turn age 24. You must complete a change form during this open enrollment period to add any newly-eligible dependent children.**
- If you want to change any of your current benefit elections or want to enroll in coverage during this open enrollment, you will need to complete either a change form or enrollment form.
- Remember that, due to your pretax election for eligible payroll deductions, you cannot make changes to your coverage during the year unless you experience a qualifying change in status. You have 30 days from a status change to make allowed changes to your current coverage.
- Employees waiving coverage for themselves or dependents should read the **HIPAA Special Enrollment Rights** section of this open enrollment notice.
- Employees who are eligible or have dependents eligible for Medicare should read the **Medicare D** section of this Open Enrollment notice.
- Summaries of several of the benefits are provided separately. Consult your benefit certificates for full coverage details.

MEDICAL (Eligibility – working 20 hours per week)

- Carrier: Preferred Health Systems.
- **We are pleased to announce that your medical and prescription coverage and your current employee portion of the premiums will remain unchanged!!!**
- Please continue to verify Preferred Health Systems providers at www.phsystems.com.
- The following employee contributions for medical and prescription coverage will continue to apply:

Election	Employee portion per pay period (for 24 pay periods)
Employee only	FT - \$27.31 PT - \$54.62
Employee & spouse	FT - \$61.42 PT - \$122.84
Employee & child(ren)	FT - \$50.49 PT - \$100.98
Family	FT - \$79.15 PT - \$158.30

DENTAL (Eligibility – working 20 hours per week)

- Carrier: Delta Dental.
- We are pleased to announce that your current Delta Dental benefits will remain unchanged. However, we did experience a substantial increase in premiums, thus we have raised the employee portion. The following employee contributions for dental coverage will apply for 2007:

Election	Employee portion per pay period (for 24 pay periods)
Employee only	\$ 3.28
Employee & spouse	\$ 6.50
Employee & child(ren)	\$ 7.25
Family	\$12.00

- Please continue to verify Delta Dental providers at www.deltadentalks.com.

SECTION 125 PLAN (Eligibility – working 20 hours per week)

- Carrier: AFLAC
- This benefit allows you to pay for the following with pre-tax dollars, which lowers your tax liability:
 - Out-of-pocket medical, dental and vision expenses
 - Dependent care expenses
- If you want to participate in the Section 125 Plan, you must enroll each year. Your current Section 125 plan election will NOT carry over.

LIFE INSURANCE (Eligibility – working 20 hours per week)

- Carrier: Jefferson Pilot Life Insurance.
- Kansas Spine Hospital will continue to pay 100% of the premium for life and accidental death & dismemberment coverage in the amount of up to 1 x annual salary for eligible employees.

VOLUNTARY LIFE INSURANCE (Eligibility – working 20 hours per week)

- Carrier: Jefferson Pilot Life Insurance.
- The rate per month per \$1,000 of coverage will remain unchanged. However, individual rate changes are adjusted once each year on the anniversary date (January 1). If you or your spouse (if spouse coverage has been elected) has had an age change since January 1, 2006 taking you to 35, 40, 45, 50, 55, 60 or 65, you will have a new payroll deduction effective January 1, 2007. Rates per month per \$1,000 of coverage are as follows:

AGE	LIFE ONLY	LIFE & A D & D
< 30	0.10	0.135
30 - 34	0.10	0.135
35 – 39	0.15	0.185
40 – 44	0.24	0.275
45 – 49	0.40	0.435
50 – 54	0.60	0.635
55 – 59	0.89	0.925
60 – 64	1.47	1.505
65 - 69	2.66	2.695

- The rate for dependent children remains at \$2.00 per month for \$10,000 of coverage, regardless of the number of children.
- An Evidence of Insurability form must be completed for any employee requesting voluntary life after initially declining coverage or when increasing their current amount. Coverage is not in force until approved by Jefferson Pilot Life Insurance Company. No action is required of employees currently enrolled who do not wish to change their coverage.

LONG-TERM DISABILITY (Eligibility – full time working at least 32 hours per week)

- Carrier: Jefferson Pilot Life Insurance.
- Kansas Spine Hospital will continue to pay 100% of the premium for Long Term Disability coverage for eligible employees.
- Coverage begins after 90 days of disability and pays 60% of earnings to a maximum benefit of \$6,000 per month.

ADDITIONAL VOLUNTARY COVERAGES (Eligibility – working 20 hours per week)

- Carrier: AFLAC
- Available coverages:
 - Cancer
 - Intensive Care
 - Accident
- Current coverage will remain in force. If you want to make changes to your current coverage or want to enroll in any of the above coverages, please meet with the AFLAC representative. He is available after today's meeting or by appointment.

NEW for 2007

- An Employee Assistance Program will be available to assist full time employees and their immediate household family members.
- *Watch for further details.*

MEDICARE PART D – Employees and dependents who are Medicare-eligible are to receive a notice indicating whether or not their Preferred Health Systems prescription coverage is as good as the Medicare Part D coverage (Creditable) or whether it is not as good as the Medicare Part D coverage (Non-Creditable). Preferred Health Systems has determined that prescription coverage offered by Kansas Spine Hospital is creditable, and the appropriate notice will be included in your 2007 certificate. Please contact Human Resources if you or your dependents are Medicare-eligible and you have additional questions.

HIPAA SPECIAL ENROLLMENT RIGHTS – 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 or your dependents in this plan if you or your dependents lose eligibility for that other coverage (or if the employer stops contributing towards your or your dependents' other coverage). However, you must request enrollment within 31 days after your or your dependents' other coverage ends.

QUALIFYING EVENTS – 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 enroll within 31 days after the marriage, birth, adoption, or placement for adoption.

REMINDERS:

- OPEN ENROLLMENT PERIOD: DECEMBER 12TH TO DECEMBER 20TH.
- RETURN FORMS TO CHARLA ZERBE NO LATER THAN DECEMBER 20TH.