

# Your benefits. Your choice.

## Sanford Benefits Open Enrollment 2016 Benefits At A Glance

### Sanford's Private Exchange

Sanford's Private Exchange is how we provide insurance to our employees. Sanford's Private Exchange is self-funded, meaning the cost of covered services for all employees is shared between Sanford and employees of the exchange. Premiums are funded in two ways, employees pay a portion based on coverage level and Sanford contributes a set "voucher" amount, also based on coverage level. The exchange allows you to choose your coverage tier (single, employee +1 or family) and your deductible and out-of-pocket maximum. Your premium and the amount you pay per pay period is based on which coverage level you choose.

Sanford offers three deductible levels:

**Sanford \$1,250 (Gold Plan)**

**Sanford \$2,250 (Silver Plan)**

**Sanford \$3,250 (Bronze Plan)**

Sanford offers three coverage tiers:

**Single**

**Employee +1\***

**Family**

\*This is the last year for Employee +1 coverage.

The annual out-of-pocket maximum for single coverage under the Gold and Silver Plans will remain the same. The annual out-of-pocket maximum for single coverage under the Bronze Plan will change from \$6,600 to \$6,850. Office visit co-pays, pharmacy co-pays and emergency room co-pays do apply towards your out-of-pocket maximum limit.

If you are enrolled in Sanford Health Plan, your out-of-pocket expenses for calendar year 2014 and January 1, 2015 – September 30, 2015 will be available to you through the benefits online enrollment platform.

### Pharmacy Coverage

The cost of generic drugs has seen a dramatic increase in recent years. It is believed that such increases are due, in part, to a shortage of raw materials to produce generic drugs, gaps in production schedules and drug companies increasing prices in reaction to new governmental regulations (i.e. Affordable Care Act).

Examples of generic drugs on the rise include:

- Doxycycline hyclate (widely used antibiotic) soared from \$20 for 500 capsules in October 2013, to \$1,849 in April 2014
- Glycopyrrolate (used during surgery to prevent slowing of the heart rate) climbed from \$65 for 10 vials in October 2013, to \$1,277 in April 2014

Sanford has not increased its generic drug co-pay in 10 years. In 2016, Sanford will introduce a two-tier generic drug co-pay. Generic drugs that retail for less than \$75 will have a \$12 co-pay and generic drugs that retail for \$75 or greater will have a \$30 co-pay. Formulary brand name drug co-pays will increase from \$40 to \$50 and non-formulary brand name drug co-pays will increase from \$75 to \$100.

## Sanford Provider Network

Sanford will implement a Sanford Provider Network in 2016. This means, Sanford will no longer provide coverage for out-of-network providers, with the exception of a limited number of non-Sanford specialty providers. The Sanford Provider Network is a network of Sanford Health Providers designed exclusively for our employees. Regardless of where you access care in the Provider Network, your health care team is connected to your medical records through Epic/MySanford Chart.

**Important:** Out-of-network providers will not be covered. If this change impacts you, we will help you transition to a Sanford provider. Some exceptions exist, in the event you require care from a specialist not found within Sanford's Provider Network.

Emergency care is treated as in-network regardless of where you receive treatment.

### Out-of-pocket costs are the same across all three deductible levels and coverage tiers.

- Office visit co-pays:
  - Sanford providers: \$20
  - Chiropractors: \$40
  - In-network non-Sanford providers: \$50
- Emergency room co-pay: \$300
- Coinsurance for in-network services: 80% / 20%

The Gold, Silver and Bronze plans all include the same set of covered services to meet the needs of you and your family.

The \$250 employee discount will no longer be applied after December 31, 2015.

*For more detailed information on the deductible levels and coverage tiers reference the "Summary of Benefits and Coverage."*

**Important:** You must enroll in Sanford's Private Exchange (health insurance) for coverage in 2016. Your 2015 election will **NOT** carry over. It is important that you review your benefits annually to make an informed election about your future coverage.

## Health Reimbursement Account (HRA)

The HRA will continue to be offered to employees enrolled in Sanford's Private Exchange and who meet the criteria. HRA funds can be used to pay out-of-pocket medical expenses, to include your deductible, coinsurance, office visit co-pays and prescription co-pays incurred by you and your covered spouse and/or dependents. The HRA dollars cannot be used to pay for dental or vision expenses.

The HRA amounts are based on the deductible level chosen as part of the private exchange:

**Gold Plan members will receive \$150**

**Silver Plan members will receive \$250**

**Bronze Plan members will receive \$350**

Criteria to receive the HRA dollars in 2016:

- Complete an online Annual Health Assessment (HA) and authorize to share it with your primary care provider.

To do this, you must first sign-up for a *mySanfordHealthPlan* account at [sanfordhealthplan.com/memberlogin](http://sanfordhealthplan.com/memberlogin) and then click "Sign Up." **Note:** You will need your Health Plan ID card to register. Upon completion, go to "My Information" then click on "bWell Health Management Tool" and "Health Assessment." Click "Start Assessment" or "Retake Assessment" if you have completed the Health Assessment previously.

If you are a current Sanford Health Plan member you must complete the requirement by **Wednesday, November 25, 2015**. If you are a new member to the Sanford Health Plan in 2016 you must complete the requirement by **Monday, February 29, 2016**.

If you received HRA dollars from Sanford or enrolled in a flexible spending account (FSA) in 2015, your 2016 annual election amount(s) will be loaded onto your existing prepaid benefits card. If you are new to the HRA and FSA in 2016, you will receive prepaid benefits card in January 2016 with your annual election amount(s) loaded on it.

After you complete your 2016 health insurance enrollment you may periodically check the status of your HRA by logging into the benefits enrollment platform and click on the “My HRA Status” tab.

## Vision Insurance

Sanford is pleased to offer vision coverage through VSP and its “Choice Plan.” The VSP Choice Plan is a premier full-service plan that offers choice, flexibility and maximum value through its providers.

Coverage highlights include:

- \$10 eye exam co-pay
- \$175 frame allowance
- \$175 elective contact lenses allowance
- Up to \$60 contact lens fitting and evaluation co-pay
- 20% off unlimited additional pairs of prescription glasses

Sanford will offer three coverage tiers:

- Single
- Employee +1
- Family

## Dental Insurance

Sanford has a self-funded dental plan. There will be **no** premium increases in 2016.

## Extended Sick Time (EST)

If you have an EST balance as of December 31, 2015 it will be “frozen” for two years and it can be accessed after a 7 day waiting period to supplement the 60% paid by short term disability and/or long term disability. After two years any remaining EST balance will be eliminated.

## Paid Time Off (PTO)

The PTO plan will include vacation, sick, personal holiday(s) and holidays. The PTO accrual schedule will begin with 23 days at date of hire to a maximum of 35 days at 35 years of service or more.

There will be a new PTO maximum balance of 324 hours and we will pay out all PTO hours above 300 in December, 2015.

Years of Service	Hours/ Days*	Accrual/ Hours Paid
1	184 / 23	0.08846
3	208 / 26	0.10000
7	224 / 28	0.10769
10	240 / 30	0.11538
15	248 / 31	0.11923
20	256 / 32	0.12308
25	264 / 33	0.12692
30	272 / 34	0.13077
35	280 / 35	0.13462

*\*Based on 80 hours a pay period - full-time employee*

## Additional Benefits

At no cost to you, Sanford offers:

- Base Life Insurance
- Short Term Disability – NEW IN 2016
- Long Term Disability

There are no changes to the following benefits:

- Flexible Spending Accounts – Medical and Dependent Daycare
- Voluntary Life Insurance (employee, spouse and child(ren))
- Accident Insurance
- Cancer Insurance
- Critical Illness Insurance
- Universal Life Insurance
- PrePaid Legal Services
- Identity Theft Shield Plan
- PTO Sell Back

**Important:** During open enrollment you will have guaranteed issue for universal life insurance, accident insurance and/or critical illness insurance, which means no medical questions will be asked.

You may also increase your level of voluntary life insurance for yourself, your spouse and/or your children by one increment with no Evidence of Insurability (EOI), which means no medical questions asked.

## Sanford 401(k) Retirement Plan Match Schedule

### 2015

On a per pay period basis, Sanford matches 100% on your first 2% and 50% on your next 4%. Once you have completed 12 months and 1,000 hours you are eligible for the Sanford annual 1% discretionary contribution.

If you are contributing 6% or more on a per pay period basis, Sanford's per pay period match plus the 1% annual discretionary contribution totals 5%.

Employee Deferral	Employer Match
1%	1%
2%	2%
3%	2.5%
4%	3%
5%	3.5%
6%	4%

You are always 100% vested in the amount you contribute and the amount Sanford contributes on a per pay period basis. There is a 2 year vesting schedule on Sanford's annual 1% discretionary contribution.

### 2016

Effective January 1, 2016 Sanford will move the annual 1% discretionary contribution and add it to the per pay period match.

If you are contributing 6% or more on a per pay period basis, Sanford's per pay period match totals 5%.

Employee Deferral	Employer Match
1%	1%
2%	2%
3%	3%
4%	4%
5%	4.5%
6%	5%

You are always 100% vested in the amount you contribute and the amount Sanford contributes.

On an annual basis Sanford will automatically re-enroll those not participating in the plan to a 3% contribution rate. Employees will have 30 days to opt out of the automatic re-enrollment.

## Open Enrollment Timeline

Monday, October 12 – Wednesday, November 25

### How to Make Benefit Changes

- Benefits Enrollment Call Center:  
(877) 403-1591  
Monday – Friday, 7 a.m. – 5 p.m.
- Benefits Online Enrollment Platform  
(link found on Inside Sanford)

***Go online to review all the benefits offered by Sanford.***

**YOU MUST RE ENROLL** in health insurance, vision insurance, flexible spending accounts and PTO Sell Back. All other benefits will automatically carry over from last year's elections.

