



For Your Benefit

BENEFIT OVERVIEW FOR EMPLOYEES OF CAPE FEAR VALLEY HEALTH SYSTEM



CAPE FEAR VALLEY[®]

TRANSFORMING HEALTHCARESM

BENEFIT TITLE	WHO'S ELIGIBLE	WHO PAYS	ELIGIBILITY PERIOD	BENEFIT SUMMARY
Paid Time Off (PTOs)	Full Time Half Time FWP	CFVHS	After 90-Day Probationary Period	0-5 years of service = 7.69 hrs per pay period = 25 days per year 6-16 years of service = 9.23 hrs per pay period = 30 days per year 16 completed years of service = 10.77 hrs per pay period = 35 days per year (HT employees earn ½ of above amounts)
Health Insurance	FT HT FWP	CFVHS and Employee	After 30 days of employment	\$20 office co-pay to primary physician. \$30 office co-pay to specialist. CFVHS In-House Pharmacy prescription co-pay \$0/\$25/\$50. Retail Pharmacy co-pay \$15/\$60/\$85. Dependent coverage available.
Dental Insurance	FT HT FWP	CFVHS and Employee	After 30 days of employment	\$50 deductible/20% co-insurance. Dependent coverage available.
Life Insurance	FT FWP	CFVHS and Employee	After 30 days of employment	May select up to 3 times annual base salary. Supplemental and Dependent coverage available with employee contribution.
Short-Term Disability	FT FWP	Employee	After 30 days of employment	60% of weekly salary beginning on the 31 st day of disability. Payable through the 90 th day.
Long-Term Disability	FT FWP	CFVHS	After 30 days of employment	60% of monthly salary beginning on the 91 st day of disability.
Flexible Spending Accounts	FT HT FWP	Employee	After 30 days of employment	Option to deposit pre-tax dollars into Health Care or Dependent Day Care accounts to meet qualified expenses.
Career Assistance Stipend	FT HT FWP	CFVHS	After one year of employment	For approved courses of study (including RN), stipend programs are available. Contact Human Resource Department at ext. 7904 for information.
Retirement Program	All Employees	CFVHS	Vested 100% after 5 years of continuous service with a minimum of 1850 hours each year and age 25.	Benefits based on length of service, age and earnings. Early retirement available at age 55 with 15 continuous years of service.

FT = Full-Time Employees

HT = Half-Time Employees

FWP = Flexible Weekend Plan

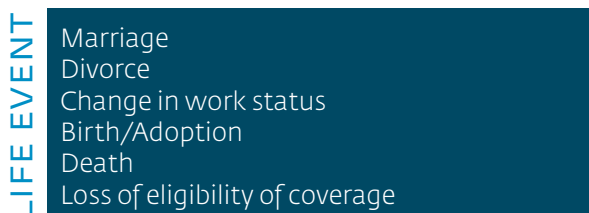
BENEFIT TITLE	WHO'S ELIGIBLE	WHO PAYS	ELIGIBILITY PERIOD	BENEFIT SUMMARY
Tax Sheltered Annuities 403(b)	All Employees	CFVHS And Employee	Immediately	Opportunity for pre-tax investments for supplemental retirement. CFVHS matches 50% of the employee's first 4% of compensation contributed on each paycheck up to IRS-approved employee contribution.
457(b)	All Employees	Employee	Immediately	Opportunity for pre-tax investment. No CFVHS match.
Workers Compensation	All Employees	CFVHS	Immediately	On-the-job injuries treated in Occupational Health at no cost. Insured in accordance with N.C. Workers Compensation Laws.
Unemployment Insurance	All Employees	CFVHS	Immediately	Application made at Employment Security Commission. Voluntary or disciplinary terminations are not qualified for compensation.
Social Security	All Employees	CFVHS and Employee	Immediately	The Health System matches the mandatory employee contribution.
Employee Pharmacy	All Employees	CFVHS and Employees	Immediately	Prescription and over-the-counter savings. Payroll deduction available.
Employee Health Services	All Employees	CFVHS	Immediately	Annual health evaluations. Free or discount vaccines and limited over-the-counter medications.
In-Service Education	All Employees	CFVHS and Employee	Immediately	Various opportunities with the Training & Development Department. Many programs provided free for employees.
Tuition Assistance	FT HT FWP	CFVHS	After 90 days of employment	0 – 5 years of employment – Up to \$1,500/calendar year for tuition, books and lab fees for career-related college programs and certifications. Over 5 years of employment – Up to \$2,000. Half-time & FWP employees are eligible for half of the above amounts per calendar year.
Scholarship Program	All Employees and Dependents	CFVHS	Annual Application Period	Recipients enrolled full time in approved curriculum receive \$2,000 to \$3,000/year for expenses depending upon degree program. Each year of support requires one year of service to the Health System.
Adoption Benefit	FT FWP	CFVHS	After one year of employment	Eligible adoption-related expenses will be reimbursed to a maximum of \$3,000 per child, \$5,000 for special-needs child.

BENEFIT TITLE	WHO'S ELIGIBLE	WHO PAYS	ELIGIBILITY PERIOD	BENEFIT SUMMARY
Shift, Weekend, and Holiday Differentials	All Non-exempt Employees	CFVHS	Immediately	Additional pay for evening shift, night shift, weekend shift and designated holidays.
Cafeteria Discount	All Employees	CFVHS and Employee	Immediately	Employee discount available. Payroll deduction available.
Medical Library	All Employees	CFVHS	Immediately	Resource and information services.
Jury Duty	FT HT FWP	CFVHS	Immediately	Base pay if duty falls during normal scheduled work hours. Employee keeps jury duty compensation.
First Adventures Child Development Center	Contact Center for Priorities	Employee	Immediately	On-site child care center.
Service Awards	All Employees	CFVHS	Each five-year service period	Awards for service are presented at Employee Service Awards Dinner.
Credit Union	All Employees	Employee	Immediately	Bragg Mutual Federal Credit Union. Payroll deduction available.
Free Parking	All Employees	CFVHS	Immediately	Must display CFVHS parking decal on windshield. Employee ID badge used for access.
Discount Opportunities	All Employees	CFVHS and Employee	Immediately	Area discounts with local vendors and companies. Contact Human Resources for information or review the Human Resources Department Web Page on the InfoWeb.
Cellular Phone Service	All Employees	Employee	Immediately	Discounted Cellular Phone Service.
Employee Recognition Program	All Employees	CFVHS	After one year of employment	The Employee Recognition Program is designed to recognize the exceptional contributions of employees on a regular basis. Prizes are awarded to Employees of the Quarter and Employee of the Year.
Healthplex Fitness & Wellness Facility	All Employees	CFVHS and Employee	Immediately	65,000 sq. ft. Wellness Facility. Health System pays 25 percent of monthly dues for employee, spouse, dependent children. Discounted health enrollment fees. For further info call (910) 860-PLEX (7539).
STEPS	All Employees	CFVHS	Immediately	On-site wellness initiative to include walking track, education seminars and incentives.

ELIGIBILITY

New employees have the opportunity to enroll in benefits during New Employee Orientation. If you do not enroll, you will be unable to elect any benefit options until the next annual enrollment time, except within 30 days of a life event.

Due to the fact medical premiums are paid on a pre-tax basis, the IRS regulates when employees may make changes to their current benefit plans. You may make changes once a year during Annual Enrollment with the changes to be effective the following October 1. However, if a qualifying life event occurs during the plan year, you may make a benefit change within 30 days with proper documentation. These events are:



If the employee does not make the change within 30 days of the life event, he or she will be required to wait until Annual Enrollment to make a change.

If you change status to per diem or terminate employment, your Health and Dental end on your last day of full-time or half-time employment.

Health and Dental may be continued through the COBRA option for up to 18 months, with the employee paying the full cost of the plan plus two percent.

Life Insurance coverage will end the last day of full-time employment. Portability is available within 30 days after termination, upon request of the employee.

Disability coverage ends the last day of full-time employment.

HEALTHCARE PLAN | SEE CHART PAGE 6

Full-time, half-time and flexible weekend plan employees are eligible to enroll.

Dependents may include the employee's spouse or dependent children. Children must be unmarried and under age 19 unless they are a full-time student. If they are a full-time student, they may be covered until age 26.

Paycheck deductions for healthcare are made on a pre-tax basis.

The healthcare plan available to employees is a Preferred Provider Organization (PPO) plan with an In-Network and an Out-of-Network benefit.

Employees are not required to select a Primary Care Physician.

If a covered member receives care from any healthcare provider who is designated as In-Network, the In-Network benefit will be considered.

A covered member may access healthcare from any non-network provider, and the Out-of-Network benefit will be considered.

Covered members have the opportunity to go to a specialist without obtaining a referral.

All employees who elect health and/or dental coverage will be subject to a pre-existing condition clause. If the employee, or covered dependent, receives care or treatment for any condition within the three months prior to their effective date, claims may not be considered for the first 12 months of coverage. However, if the employee or covered dependent can provide a certificate of creditable coverage (HIPPA letter) stating 12 months of continuous coverage has been maintained prior to their effective date with CFVHS, all pre-existing conditions will be waived. Please provide a copy of the certificate of creditable coverage, (HIPPA letter), during your enrollment session if applicable.

WELLNESS INITIATIVE

Employees who have participated in a voluntary wellness initiative will pay the lesser premiums reflected in Column C (see chart below). Employees who chose not to participate will pay the higher premiums reflected in Column D. New employees, or employees who have a status change, will pay the lesser premiums. If you choose not to participate in the wellness initiatives offered the next plan year, your premiums will be adjusted to the higher level.

Healthcare Premiums for Full-time Employees (per pay period)					
Health Plan Tier	Full Rate	CFVHS Pays		Employee Pays	
		Column A Participant	Column B Non-participant	Column C Participant	Column D Non-participant
Employee only	\$189.59	\$162.13	\$156.64	\$27.46	\$32.95
Employee + child(ren)	\$302.79	\$241.69	\$229.47	\$61.10	\$73.32
Employee + spouse	\$322.34	\$239.82	\$223.32	\$82.52	\$99.02
Employee + family	\$383.80	\$291.05	\$272.50	\$92.75	\$111.30

Healthcare Premiums for Half-time Employees (per pay period)					
Health Plan Tier	Full Rate	CFVHS Pays		Employee Pays	
		Column A Participant	Column B Non-participant	Column C Participant	Column D Non-participant
Employee only	\$189.59	\$112.74	\$97.37	\$76.85	\$92.22
Employee + child(ren)	\$302.79	\$188.92	\$166.14	\$113.87	\$136.65
Employee + spouse	\$322.34	\$193.60	\$167.85	\$128.74	\$154.49
Employee + family	\$383.80	\$236.93	\$207.55	\$146.87	\$176.25

DENTAL PLAN | SEE CHART ON OPPOSITE PAGE

The Dental Plan is a voluntary benefit available to all full-time, half-time and flexible weekend plan employees.

Dependents may be the employee's spouse or dependent children. Children must be unmarried and under age 19 unless they are a full-time student. If they are unmarried and a full-time student, they may be covered until age 26.

Paycheck deductions for dental are made on a pre-tax basis.

Open Access – You may seek care at any dentist. No network.

Annual deductible of \$50 per member, \$150 per family.

Maximum annual benefit of \$1,500 per member.

Preventive: Cleanings and x-rays twice per year are covered at 100 percent (UCR) and deductible does not apply. (Full mouth x-ray once every three years.)

Maintenance: Such as routine fillings, simple extractions and root canals are covered at 80% (UCR) after annual deductible is met.

Complex: Such as crowns, bridges and dentures are covered at 50% (UCR) after annual deductible is met.

Orthodontic is not covered under the Dental Plan.

Dental Premiums for Full-time and Half-time Employees (per pay period)

Dental Plan Tier	Full Rate	CFVHS Pays	Employee Pays
Employee only	\$14.22	\$2.30	\$11.92
Employee + child(ren)	\$20.14	\$3.27	\$16.87
Employee + spouse	\$24.34	\$3.25	\$21.09
Employee + family	\$28.55	\$4.62	\$23.93

LIFE INSURANCE

Employee Life Insurance (ING)

Full-time employees are eligible for life insurance up to three times your annual salary rounded up to the nearest thousand, not to exceed \$500,000.

You may select up to two times your annual salary at no cost to you. If you elect three times your annual salary, a pre-tax premium will be deducted.

Premium Calculation = annual salary divided by 1,000 multiplied by \$.083 equals your per pay period deduction.

Newly eligible employees may select up to two times annual salary with no health questions. However, if three times annual salary is selected, a health questionnaire must be completed.

Dependent Life Insurance (ING)

Full-time employee's spouse and/or unmarried dependent children up to age 26 are eligible. Available at three levels:

- \$2,000 per dependent - \$.26 per pay period deduction per family unit
- \$5,000 per dependent - \$.53 per pay period deduction per family unit
- \$10,000 per dependent - \$1.06 per pay period deduction per family unit
- \$15,000 per dependent - \$1.59 per pay period deduction per family unit

DISABILITY INSURANCE

Long-Term Disability (LTD) (ING)

Full-time employees are eligible.

Premiums for LTD are 100% paid by Cape Fear Valley Health System.

If the employee becomes unable to perform his/her major job duties because of injury or serious illness, he/she will be eligible for a benefit of 60% of base monthly earnings up to \$5,000 per month after being out of work for 90 calendar days.

Short-Term Disability (STD) (ING)

Full-time employees are eligible.

Premiums for STD are 100% paid by the employee.

If the employee becomes unable to perform his/her major job duties because of injury or serious illness, he/she will be eligible for a benefit of 60% of base earnings up to \$750 per week. Benefits would begin after being out of work for 30 calendar days and end on the 90th day, when it will be referred to LTD.

Premiums are based on an after-tax deduction. Therefore, you may apply or cancel coverage at any time during the plan year.

FLEXIBLE SPENDING ACCOUNTS

You must re-enroll each year to participate in the spending accounts. If you don't re-enroll, your participation will stop at the end of the plan year.

Enrolled employees receive a Flex Convenience Card to use for all eligible expenses for both spending accounts.

Healthcare Spending Account (HCSA)

Most healthcare expenses for yourself, your spouse and any individual considered your eligible dependent for federal income tax purposes are reimbursable on a pre-tax basis. Co-pays, deductibles, co-insurance, eyeglasses, contact lenses and orthodontics are all qualifying expenses.

You may deposit up to \$5,000 annually.

All monies contributed in the flex accounts must be used by the end of the plan year in order to use the flex card. However, there is a 2.5-month grace period into the next plan year, where you may pay for eligible out-of-pocket expenses incurred during the grace period.

You have until Dec. 31 of the following plan year to submit claims incurred in the prior plan year. The IRS requires that money remaining in your account after Dec. 31 be forfeited. Therefore, we recommend you plan carefully.

Example:	Without Flex Plan	With Flex Plan
Salary (Annual)	\$22,000	\$22,000
Amount Redirected to Flexible Spending Account		<u>- \$5,000</u>
Taxable Salary	\$22,000	\$17,000
Taxes: Federal, State & Social Security (30%)	\$6,600	\$5,100
Tax Savings from Flex Plan		\$1,500

The participant may pay for eligible expenses at the time of service with the Flex Convenience Card, or he/she may pay for the expense out of pocket and file a hard copy claim to be reimbursed.

Dependent Care Spending Account (DCSA)

Allows you to pay for eligible work-related childcare and other dependent care with pre-tax dollars. The following dependents are eligible: children under age 13, dependents who are physically or mentally handicapped and elderly individuals claimed as dependents on your tax return.

You may deposit up to \$2,500 if you are single.

If your spouse also participates in a DCSA, you may deposit \$5,000 combined for both accounts. If you and your spouse file separate tax returns, you may contribute \$2,500 in the DCSA.

You have until Dec. 31 of the following plan year to submit claims incurred in the prior plan year. The IRS requires that money remaining in your account after Dec. 31 be forfeited.

403(B) TAX SHELTERED ANNUITY

All employees may have a 403(b) arrangement through the health system's approved vendor.

The health system match is 50% of the first four percent of the employee's contributed compensation per pay period subject to the IRS constraints. On each paycheck, for every dollar you contribute up to four percent of your salary, the health system will contribute 50 cents until the maximum employee contribution is met. The IRS mandates the maximum contribution each year.

Example: Annual salary of \$30,000

$\$30,000 \times 4\% = \$1,200$ employee contribution

$\$1,200 \div 2 = \600 CFVHS match

Employees may begin a 403(b) arrangement at any time with immediate CFVHS matching contributions. However, employees hired after Jan. 1, 2009 will be subject to a three year vesting schedule on the CFVHS matching contributions.

EMPLOYEE PENSION PLAN

The Employee Pension Plan of Cape Fear Valley Health System is a defined benefit plan and is 100 percent funded by Cape Fear Valley Health System. The plan is designed to be a portion of your retirement income. Your pension, along with your Social Security, your 403(b) and your own personal savings should make up your total income upon retirement.

In order to be a participant in the Pension Plan, you must work a minimum of 1,850 hours per calendar year for five consecutive years and be at least 25 years of age.

Employees are 100% vested after five years of qualifying service.

Once an employee is eligible, a benefit is calculated based on the years of service (up to 35 years) and the highest ten consecutive years of compensation (within the last 15 years of service).

Normal retirement age is 65 or the fifth anniversary of your participation in the plan, whichever is later, but no later than age 68.

Early retirement is age 55 with 15 years of service or age 60 with 10 years of service with a reduced benefit.

CAPE FEAR VALLEY PHARMACIES

All employees may use Cape Fear Valley Pharmacy and Health Pavilion North Pharmacy.

Covered prescriptions for employees and their dependents covered under Doctors Direct Healthcare (DDHC) are filled at the appropriate co-pay. There is no co-pay for generics, if filled at Cape Fear Valley Pharmacy or Health Pavilion North Pharmacy.

Prescriptions for employees not covered on DDHC, per-diem employees, and prescriptions not covered under DDHC may be purchased at acquisition plus a dispensing fee.

Over-the-counter items are available at discounted prices.

Hours of operation: **Cape Fear Valley Pharmacy** - Monday through Friday from 7 a.m. to 6 p.m.

Health Pavilion North Pharmacy - Monday through Friday from 9 a.m. to 5 p.m.

VOLUNTARY BENEFITS

Cancer Plans — help sustain employee's household in the event of a cancer diagnosis.

Healthcare Plus Plan — help employees with out-of-pocket health expenses.

Critical Illness — help sustain employee's household in the event of diagnosis of five disease states.

Universal Life Plan — Life insurance opportunity for employee and dependents.

Computer Purchase Program — Cash discounts or Payroll Deduction Program.

Pharmacy Benefit for Retired Employees — Discounted pharmacy benefit for retired employees and their spouse.

Pre-Paid Legal Services Inc. — A comprehensive group legal plan that offers free consultation and legal advice to covered employees and their eligible family members.

FIRST ADVENTURES CHILD DEVELOPMENT CENTER

First Adventures is a child-care facility designed for children whose parents are employed at Cape Fear Valley. The center accepts children six weeks to five years of age, Monday through Friday from 5:45 a.m. to 9 p.m., and children six weeks to 12 years of age on Saturday and Sunday from 5:45 a.m. to 8 p.m. For more information, please call (910) 609-6656.

2009 DOCTORS DIRECT BENEFIT SUMMARY

BENEFITS & SERVICES	IN-NETWORK	OUT-OF-NETWORK
DEDUCTIBLE (per plan year) Member Family (Co-pays do not apply toward the calendar year deductible)	\$500 \$1,500	\$1,100 \$3,300
OUT-OF-POCKET MAXIMUM (per plan year) Member Family	\$3,000 \$9,000	\$5,000 \$15,000
LIFETIME MAXIMUM (per member)	\$5,000,000	
PHYSICIAN SERVICES Office Visits, PCP** Office Visits, Specialist** Interpretation of testing and/or labs**	\$20 co-pay, then 100% \$30 co-pay, then 100% 90%*	40%* UCR 40%* UCR 40%* UCR
PREVENTIVE CARE Immunizations Well-Child Care Routine Physicals Pap Smear Mammograms Prostate Specific Antigen (PSA) Interpretation of testing and/or labs	After \$20 office co-pay: 100% 100% 100% 100% 100%*** 100%*** 100%	40%* UCR 40%* UCR 40%* UCR 40%* UCR 40%* UCR 40%* UCR 40%* UCR
CHEMOTHERAPY	90%*	40%* UCR
URGENT CARE	\$35 co-pay****, then 100%	\$100 co-pay****, then 100% UCR
EMERGENCY ROOM Facility Physician Services	\$100 co-pay, then 100% 90%*	\$100 co-pay, then 100% UCR 40%* UCR
OUTPATIENT SERVICES	90%*	40%* UCR
OUTPATIENT SURGERY and/ or 24-HOUR OBSERVATION Facility Physician Services	\$150 co-pay, then 90% 90%*	40%* UCR 40%* UCR
HOSPITAL SERVICES Per Confinement Facility Physician Services	\$250 co-pay to a maximum of 3 co-pays per plan year 90% 90%*	\$500 co-pay 40%* UCR 40%* UCR
TRANSPLANT SERVICES-Not covered by the AIG Human Organ and Tissue Policy Per Confinement Facility Physician Services	At an approved Center of Excellence \$250 co-pay to a maximum of 3 co-pays per plan year 90% 90%*	Maximum Benefit: \$100,000 \$500 co-pay 40%* UCR 40%* UCR

BENEFITS & SERVICES	IN-NETWORK	OUT-OF-NETWORK
MATERNITY CARE Facility Physician**	\$250 per confinement co-pay, then 90% \$100 co-pay per pregnancy, then 100%	40%* UCR 40%* UCR
VISION CARE Routine (including refractions) Non-routine Hardware - glasses	\$20 co-pay, then 100% \$30 co-pay, then 100% Discounts Available through Doctors Direct	NOT COVERED 40%* UCR NOT COVERED
OTHER SERVICES Ambulance Durable Medical Equipment Private Duty Nursing Home Infusion Therapy Hospice Services – max. of 6 months Home Health Care Skilled Nursing Facility – limited to 60 days per plan year Long-Term Acute Care – limited to 60 days per plan year	90%* 90%* 90%* 90%* 90%* 90%* 90%* 90%*	40%* UCR 40%* UCR 40%* UCR 40%* UCR 40%* UCR 40%* UCR 40%* UCR 40%* UCR
SHORT-TERM THERAPY SERVICES Chiropractic Care – maximum of \$500 in total claims per plan year Physical Therapy Occupational Therapy Speech Therapy Cardiac Rehabilitation Pulmonary Rehabilitation (Physical, Occupational and Speech Therapy, as well as Cardiac and Pulmonary Rehabilitation are limited up to 30 outpatient visits per illness, injury or condition per calendar year and up to 30 inpatient visits per illness, injury or condition per plan year)	\$20 co-pay, then 100% \$20 co-pay, then 100% \$20 co-pay, then 100% \$20 co-pay, then 100% \$20 co-pay, then 100% \$20 co-pay, then 100%	40%* UCR 40%* UCR 40%* UCR 40%* UCR 40%* UCR 40%* UCR
MENTAL HEALTH/ SUBSTANCE ABUSE	Refer to your Summary Plan Description for Mental Health and Substance Abuse Benefits	
PRESCRIPTION DRUGS*** Generic Preferred Brand Non-Preferred Brand (Includes Prescriptions for Smoking Cessation limited to three 30-day prescriptions per plan year.)	CFVHS Employee Pharmacies \$0 \$25 \$50	All Other Participating Retail Pharmacies \$15 \$60 \$85

*BENEFITS PAID AFTER DEDUCTIBLE. **Note: Any charges for services performed in the physician's office will be covered at 100% after the office copay. If the physician sends any tests and/or labs to another provider for reading and interpretation, those charges will be subject to the applicable deductible and coinsurance. ***Additional Copay will not be applied. ****All office visits, laboratory, basic x-ray and EKG charges in connection with an Urgent Care visit are subject to the applicable Copay as shown under the Urgent Care benefit. Charges for all other Covered Health Services resulting from the Urgent Care visit or from the condition requiring the Urgent Care visit will be covered under the applicable Non-Urgent Care benefit or service, subject to any applicable Deductible, Copay and Coinsurance.

IMPORTANT CONTACT NUMBERS

UTILIZATION MANAGEMENT

Administered by Doctors Direct Healthcare

For questions regarding Authorizations or Prior Approval requirements

Local

(910) 485-0510

Toll Free

(877) 503-0388

Fax

(910) 485-8662

CUSTOMER SERVICE

For claims and benefit questions regarding Medical and Dental coverage

Local

(910) 480-3100

Toll Free

(800) 337-6288

PARTNERS RX

For claims and benefit questions regarding Prescription Drug coverage

Toll Free

(800) 659-4112 or

(800) 711-4550