

megaflex

2012 enrollment highlights guide

Your Benefits

Find an overview of
your benefits

Page 2

Medical Plans

Learn more about how
the plans work

Page 3

Additional Protection

Preparing for the
unexpected

Page 4

Spending Accounts

Reduce your
out-of-pocket costs

Page 6

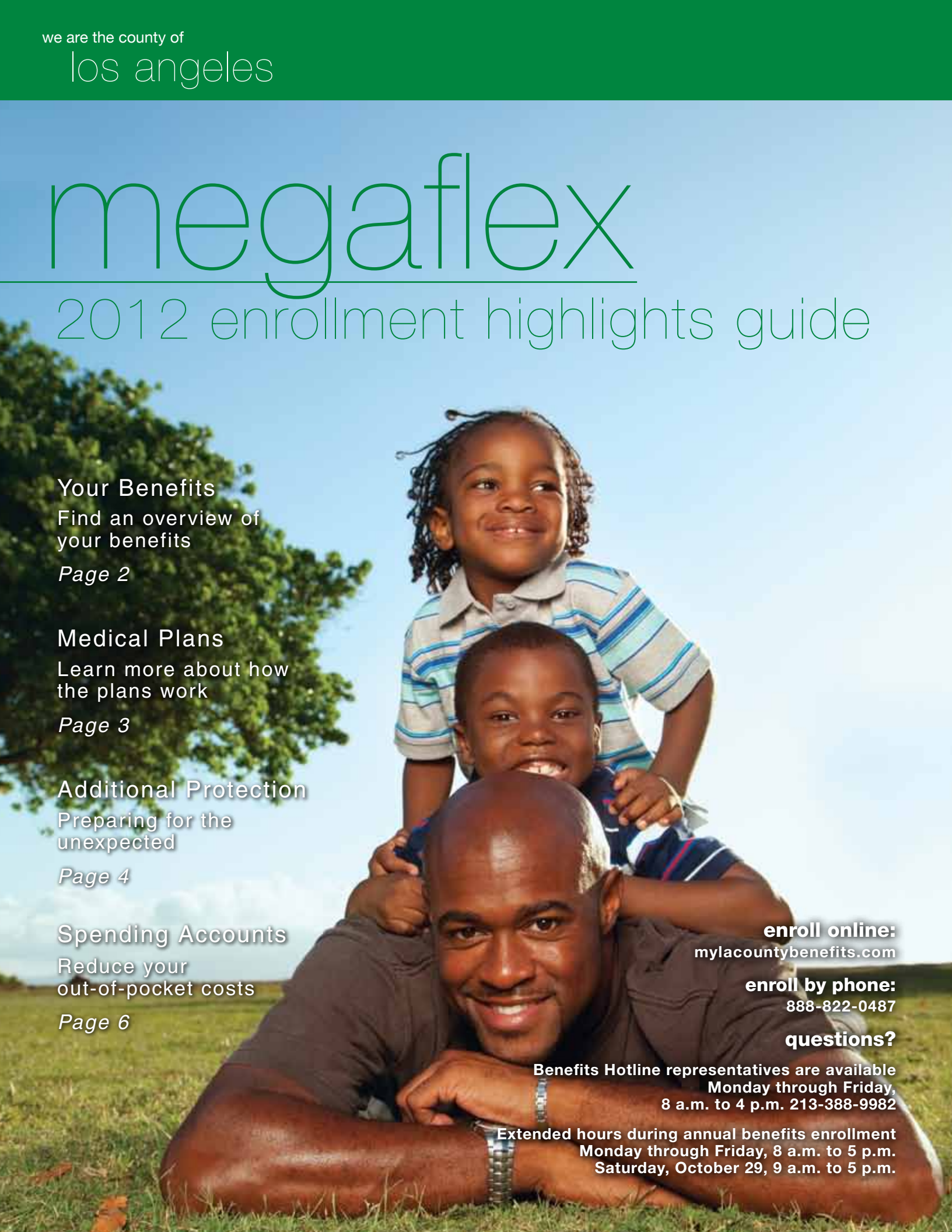
enroll online:
mylacountybenefits.com

enroll by phone:
888-822-0487

questions?

Benefits Hotline representatives are available
Monday through Friday,
8 a.m. to 4 p.m. 213-388-9982

Extended hours during annual benefits enrollment
Monday through Friday, 8 a.m. to 5 p.m.
Saturday, October 29, 9 a.m. to 5 p.m.



your benefits

The County of Los Angeles cares about you and your family. That's why we offer benefits that provide for your needs today and in the future. Through a comprehensive benefits program that includes medical, dental, life and disability insurance, elective annual leave, and medical coverage protection (Long-Term Disability Health Insurance), we help you enrich your life while protecting your future and your loved ones.

If you (and/or your dependents) have Medicare or will become eligible for Medicare in the next 12 months, a federal law gives you more options about your prescription drug coverage. Please see the Medicare notice on page 7 for more details.



MEGAFLEX 2012 BENEFITS AT A GLANCE
Medical
<ul style="list-style-type: none"> • Kaiser Permanente HMO • Anthem Blue Cross CaliforniaCare HMO • Anthem Blue Cross PLUS POS • Anthem Blue Cross Prudent Buyer PPO • Anthem Blue Cross Catastrophic Plan
Dental
<ul style="list-style-type: none"> • SafeGuard HMO-style Plan • DeltaCare HMO-style Plan • Delta Dental PPO-style Plan
Survivor Income Benefit Coverage (Retirement Plan E members only)
Accidental Death and Dismemberment (AD&D) Insurance
Disability
<ul style="list-style-type: none"> • Short-term Disability (STD) Insurance • Long-term Disability (LTD) Insurance
Medical Coverage Protection (Long-Term Disability Health Insurance)
Elective Annual Leave
Spending Accounts
<ul style="list-style-type: none"> • Health Care Spending Account • Dependent Care Spending Account
Optional Life Insurance*
<ul style="list-style-type: none"> • Optional Group Variable Universal Life (GVUL) Insurance • Optional Dependent Term Life
<small>*You pay for both types of optional life insurance with after-tax dollars. Your premiums for the other benefits shown in this chart generally are paid with pre-tax (before-tax) dollars.</small>

Summary Plan Description

Your enrollment materials often refer to the *MegaFlex* Summary Plan Description (SPD). The SPD is a valuable resource containing detailed plan information. You may download a copy of the *MegaFlex* SPD at mylacountybenefits.com.

Choose Carefully – Your Elections Are Final

Once you make your final enrollment selections (or if you miss the deadline), you will not be able to change your benefits until next annual benefits enrollment.

The only exception to this rule is for a qualified change in status, such as a change in your family or work situation that affects your coverage needs. For example, if you experience an event such as the birth/adoption of a child, marriage or divorce, you may be allowed to change your benefit elections.

Refer to page 13 of the *MegaFlex* Summary Plan Description (SPD) for details.

medical plans

Your *MegaFlex* benefits program offers a variety of medical plans as listed in the Benefits at a Glance table on page 2. The following table summarizes some of the highlights for the *MegaFlex* medical plans.

	Health Maintenance Organization (HMO) Plans	Point of Service (POS) Plans	Preferred Provider Organization (PPO) Plans	Catastrophic Plans
Coverage	Provides comprehensive medical coverage, including (but not limited to): <ul style="list-style-type: none"> Preventive care Routine medical care Major medical care Behavioral health care 	Provides comprehensive medical coverage, including (but not limited to): <ul style="list-style-type: none"> Preventive care Routine medical care Major medical care Behavioral health care 	Provides comprehensive medical coverage, including (but not limited to): <ul style="list-style-type: none"> Preventive care Routine medical care Major medical care Behavioral health care 	Provides comprehensive medical coverage designed to: <ul style="list-style-type: none"> Cover preventive care Protect you from major, unexpected medical expenses
Seeking Care	<ul style="list-style-type: none"> You choose a primary care physician (PCP) who oversees your overall health care, coordinates your care, and refers you to HMO specialists You have a network of HMO providers to choose from who serve specific geographic areas Except for emergency care, you must be treated by an HMO network physician or hospital to receive benefits 	<ul style="list-style-type: none"> You choose a primary care physician (PCP) who oversees your overall health care, coordinates your care, and refers you to specialists You have the freedom to see any licensed doctor or specialist without a referral from your PCP Your out-of-pocket expenses will be lower when you coordinate care through your PCP and use network providers 	<ul style="list-style-type: none"> You can see any licensed doctor or specialist You receive a higher level of coverage (your out-of-pocket expenses will be lower) when you use providers from the PPO network of participating doctors, hospitals and other health care providers 	<ul style="list-style-type: none"> You can see any licensed doctor or specialist
Determining Costs for Services	<ul style="list-style-type: none"> Generally, there are no deductibles You pay a specified amount for many services An HMO generally costs less in annual deductibles and copays than a PPO plan 	<ul style="list-style-type: none"> There is no deductible if you use network providers and coordinate your care through your PCP Out-of-pocket expenses are lower when you use network providers and coordinate your care through your PCP 	<ul style="list-style-type: none"> Generally there is a deductible before the plan pays benefits Deductible is waived for preventive care when you use network providers Out-of-pocket expenses are lower and you'll receive a higher level of coverage using PPO network providers 	<ul style="list-style-type: none"> You are responsible for paying the cost of your care until you reach the annual deductible Once you satisfy your annual deductible, most benefits are covered at 75%

For more details, review the Medical and Dental Plans Comparison Chart you received with this guide or the SPD, which can be found online at mylacountybenefits.com.

To Find A Network Medical Provider: Kaiser Permanente HMO

- Go to www.my.kp.org/ca/countyofla
- Select "clinical staff directory" in the "Get Started Now" section

Anthem Blue Cross

- Go to www.anthem.com/ca/countyoflosangeles
- Select "Find a Doctor"

Tobacco User Fee

Tobacco users pay an after-tax charge of \$20 per month. This fee will be waived if you certify that you have not used tobacco or tobacco products within the last 12 months, or certify that you are having difficulty stopping smoking due to nicotine addiction and will actively participate in a smoking cessation program available under the County medical plans during the plan year.

dental plans

Your *MegaFlex* program offers two HMO-style dental plans:

- SafeGuard
- DeltaCare

In addition, the program offers the following PPO-style dental plan:

- Delta Dental

The HMO-style dental plans require that you receive all of your dental care from a network of participating dental offices. When you enroll, you choose a dental office, which becomes your “primary care office,” and you must go to this office for all of your dental care.

The Delta Dental PPO offers two different networks of participating dentists and dental care providers:

- **Delta Preferred Option (DPO) network:** Using this network offers the highest benefit. Most preventive services are covered at 100%; many other services are covered at 85%. You pay no deductible. The annual maximum benefit is \$1,750 per person.
- **Delta Participating Dentist network:** Delta pays benefits based on a fee agreement with the network’s dentists. Most routine services are covered at 80%.

When you enroll in a PPO-style dental plan, you can go to any dentist in either network, or to an out-of-network

dentist. When you go to network providers, the plan pays higher benefits (you pay less).

For more details, review the comparison chart you received with this guide or the SPD, which can be found online at mylacountybenefits.com.

To Find A Network Dentist:

SafeGuard

- Go to www.safeguard.net
- Select “Dental and Vision Directories” and follow the instructions

DeltaCare and Delta Dental

- Go to www.deltadentalins.com
- Select “Dentists” located in the upper left-side navigation bar
- Select “Dentist Search”

prescription drug benefits

Your medical coverage also includes prescription drug coverage to help pay for prescription medications. It is important to remember that you can save money when you use the generic form of a drug instead of the brand-name version. Generic drugs become available when the patent owned by the manufacturer expires and other manufacturers begin producing a generic equivalent. So when you are

prescribed a brand-name drug, it’s wise to ask your health care provider if there is a generic drug available that will provide the same benefits.

In addition, if you are taking “maintenance medication” — such as for high blood pressure, cholesterol, thyroid conditions, or birth control, for example — using your plan’s mail-order service will generally save you money. Plus, you get the convenience of having

your medications delivered to you rather than having to pick them up at the pharmacy.

For more details about your prescription drug benefits, review the Medical and Dental Plans Comparison Chart you received with this guide or contact your medical plan.

additional protection

Sometimes, the unexpected happens and it affects not just your own life, but also the lives of those you care about. What would happen to those who depend on you if something were to happen to you? Your *MegaFlex* program offers disability, life insurance, accidental death and dismemberment insurance, and LTD health insurance to protect you and your family.

Short-Term Disability

The County provides short-term disability (STD) coverage to replace 70% of your monthly pay after a 14-day waiting period if you are ill or injured and cannot work. You may purchase additional coverage to replace 100% of your monthly salary for 21 days after a seven-day waiting period, and 80% thereafter. This additional coverage will apply to new injuries occurring on or after your STD coverage begins. You receive STD benefits for up to 26 weeks.

Long-Term Disability

You can buy long-term disability coverage to replace 40% to 60% of your income once your STD benefits end (or after you complete a six-month waiting period). See the *MegaFlex* SPD for more information.

If you are a Retirement Plan E member with five or more years of continuous service, the County pays for the 40% LTD coverage option.

additional protection, continued

Medical Coverage Protection (LTD Health Insurance)

This plan is designed to help you continue your medical insurance coverage if you are eligible for long term disability and become totally and permanently disabled.

For new disabilities incurred on or after January 1, 2007, all *MegaFlex* participants who meet the eligibility requirements will be covered under the LTD health insurance provisions at no cost to them. LTD health insurance pays 75% of your monthly medical premium and you pay the remaining 25%. Eligible employees could elect to “buy-up” to 100% LTD health insurance at a cost of \$3.00 per month. Under this optional coverage, LTD health insurance pays 100% of the monthly medical plan premium while you receive LTD benefits.

Survivor Income Benefit Plan (for Retirement Plan E members only)

The survivor income benefit is a life insurance plan offered to members of Retirement Plan E. If you die, benefits from this plan are paid to your surviving spouse/domestic partner or your unmarried dependent children. You can purchase coverage equal to 25% or 50% of your monthly salary. The County pays 50% of the monthly premium and you pay the rest with pre-tax dollars.

Note: If you choose the Survivor Income Benefit option, you will be limited in the amount of optional group variable universal life (GVUL) insurance coverage you can buy. See the *MegaFlex* SPD or go to mylacountybenefits.com for more information about the coverage limits, how benefits are paid, and how much your coverage will cost.

Optional Group Variable Universal Life (GVUL) Insurance

As an eligible *MegaFlex* participant, you can buy GVUL insurance for yourself. If you purchase optional GVUL insurance for yourself, you may also purchase a limited amount of life insurance coverage for your spouse/domestic partner and dependent children. The GVUL program is available through MetLife and offers premiums at affordable group rates. You can keep your coverage if you end your employment with the County. You can purchase coverage of one-half to eight times your annual salary. The County pays 50% of the cost of coverage and you pay the rest after-tax.

Accidental Death and Dismemberment Insurance

You can buy accidental death and dismemberment (AD&D) insurance at low monthly group rates. If you die in an accident, become paralyzed, or lose

a limb, eyesight, speech, or hearing because of an accident, your AD&D insurance pays benefits. Review your Personalized Enrollment Worksheet for AD&D coverage costs.

If you have AD&D coverage under *MegaFlex*, you may also buy coverage for your eligible spouse/domestic partner and dependent children.

Elective Annual Leave

Instead of traditional vacation and sick leave days, *MegaFlex* participants earn annual leave days, and may buy additional days.

Annual leave consists of non-elective (earned) and elective (bought) days. Each year you earn up to 10 non-elective days based on how long you worked the year before. You may also buy from one to 20 elective annual leave days each plan year. The County issues annual leave days only in eight-hour increments (whether you earn or buy them).

You may buy from one to 20 elective annual leave days (8 to 160 hours) each year. Remember, if you want to purchase them, you must purchase them when you are newly eligible or each year during annual enrollment.

For More Information:

Review the *MegaFlex* SPD, talk to your Departmental Benefits Coordinator, or go to mylacountybenefits.com for more information.

2013 Changes to the Survivor Income Benefit

In 2013, the County will add new coverage levels (10%, 15%, and 35%) to the existing 25% and 50% in the Survivor Income Benefit Plan (SIB). Starting in 2013, enrollment in SIB and coverage increases will be limited by one level. For example, if you choose no SIB for 2012, you will be limited to enrollment at 10% SIB for 2013. If you choose 25% SIB in 2012, you will be limited to an increase to 35% for 2013.



spending accounts

Spending Accounts offer a great way to save money on health care and dependent care. You never pay federal or state taxes on the money you contribute. That means you could save between 10% and 30% on every dollar you spend on health care or dependent care, depending on your tax bracket. *MegaFlex* offers two types of spending accounts:

- A Health Care Spending Account allows you to pay for eligible medical expenses with tax-free dollars, including medical plan copays, deductibles, prescription drugs, eyeglasses and contacts, out-of-pocket dental expenses, and many other medical expenses.
- A Dependent Care Spending Account enables you to pay dependent care expenses (such as the cost of properly licensed day care centers, summer day camp, nursery school, preschool, child and adult day care provided at your home) while you and your spouse work outside the home. Under the Internal Revenue Code, expenses must relate to the care of either a child under the age of 13, a mentally or physically disabled child of any age, or a legally dependent adult who spends a minimum of eight hours each day in your home and is unable to care for himself/herself.

See the *MegaFlex* SPD or go to mylacountybenefits.com for more information about what other types of

expenses you can pay with tax-free dollars through a spending account.

You can enroll in either the Health Care or Dependent Care Spending Account (or both). When you enroll, you decide how much to contribute to each account. You may contribute a maximum of \$400 a month to each account in 2012. If you are eligible and enroll in the Dependent Care Spending Account, the County will make a nontaxable monthly contribution based on your annual pay. And you don't even need to contribute. See the chart below to find out how much the County will contribute in 2012. Please note that you can make contributions in addition to those made by the County — you just have to be sure that the combined contribution doesn't exceed the IRS limits. The maximum you may contribute to the Dependent Care Spending Account is \$4,800 a year if married and filing jointly, or \$2,500 if married and filing separately. The County's contribution counts toward these limits. Remember, you must enroll in the Dependent Care Spending account to be eligible for the County contribution.

Use It or Lose It

Before you decide whether to participate in a spending account, it's important that you carefully consider how much you should contribute. You must use the money in these accounts by a certain date. An IRS rule states that any money in your spending accounts that isn't spent by the end of

New Spending Account Administrator for 2012!

Benefit Concepts, Inc. will be the new administrator of the Health Care and Dependent Care Spending Accounts starting January 1, 2012.

If you are currently enrolled in a spending account, you will be sent additional information about this change in the near future. When you enroll for 2012, you will also be sent a packet with complete details about the spending accounts and Benefit Concepts, Inc.

the specified period must be forfeited. But don't let that stop you from taking advantage of the great tax benefits spending accounts offer. Just take a little time to plan, and don't put more in your account than you think you need to spend for the year. To help you determine how much you want to contribute, use the spending account calculators in the "my tools" section of mylacountybenefits.com or use the estimation worksheets found on page 37 and 43 of the *MegaFlex* SPD.

Expenses for both types of spending accounts must be incurred by December 31, 2012, and submitted for reimbursement by June 30, 2013. Under the County's program, some expenses (such as insurance premiums) are not eligible for reimbursement under the Health Care Spending Account. Be sure to read the spending account section of the *MegaFlex* SPD before you enroll.

YOUR ANNUAL BASE PAY	COUNTY'S MONTHLY CONTRIBUTION (Subject to Annual Cap on Contribution)
Less than \$30,000	\$375
\$30,000 to \$34,999	\$300
\$35,000 to \$39,999	\$275
\$40,000 to \$44,999	\$200
\$45,000 to \$49,999	\$125
\$50,000 or more	\$75

Check out the Spending Account Online Tutorial!

Online tutorials are an easy and fun way to learn about how to use Spending Accounts. To access the online tutorials, log on to mylacountybenefits.com and select "Online Tutorials" from the "my tools" drop down menu at the top of the page.

Important Note: The County caps total annual County contributions. If the cap is reached for 2012, the monthly contribution described above will be reduced pro rata for the month in which the cap is reached and then will be stopped completely for the remainder of the Plan Year. Because of the cap, there is no guarantee that you will receive the full monthly contribution shown above during the entire plan year. You will be notified if the County contribution is reduced or stopped during the Plan Year. See the *MegaFlex* SPD or go to mylacountybenefits.com for more information.

important notice from the County of Los Angeles about your prescription drug coverage and medicare

Please read this notice carefully and keep it where you can find it.

This notice provides information about your current prescription drug coverage under the County of Los Angeles (County) *Flex* Plan or *Mega-Flex* Plan, the prescription drug coverage that will be provided under *Flex* and *Mega-Flex* as of January 1, 2012, and prescription drug coverage available for individuals with Medicare. It also explains the options you have under Medicare prescription drug coverage and can help you decide whether you want to enroll in this coverage. If you are considering enrolling in a Medicare prescription drug plan, you should compare your current coverage, including which drugs are offered and associated costs for those drugs, with the coverage and costs of the plans offering Medicare prescription drug coverage in your area. At the end of this notice is information about where you can get help to make decisions about your prescription drug coverage.

There are two important facts 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 through Medicare prescription drug plans and Medicare Advantage Plans that offer prescription drug coverage. All Medicare prescription 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 County has determined that the prescription drug coverage currently offered under Kaiser HMO; Blue Cross CaliforniaCare HMO, Plus POS, Prudent Buyer PPO, and Catastrophic plans; and the coverage that will be offered under these plans as of January 1, 2012, is on average for all plan participants who participate in any of these health plans expected to pay out as much as the standard Medicare prescription drug coverage will pay, and that such coverage is therefore considered Creditable Coverage. Because all of the health plans available under *Flex* and *Mega-Flex* provide Creditable Coverage, you may elect any of these coverage options for the 2012 plan year and not pay a higher premium (a penalty) if you decide to enroll in a Medicare prescription drug plan on a later date, provided that you do not experience a 63-day break in coverage (as discussed in more detail below).

When Are You Eligible to Enroll in a Medicare Prescription Drug Plan?

You may enroll in a Medicare prescription drug plan when you first become eligible for Medicare and thereafter during each calendar year from October 15th through December 7th.

If you lose your Creditable Coverage under *Flex* and *Mega-Flex* through no fault of your own, you will also be eligible for a two (2) month Special Enrollment Period to enroll in a Medicare prescription drug plan.

What Happens to Your Current Creditable Coverage if You Decide to Enroll in a Medicare Prescription Drug Plan?

If you participate in **Kaiser or any of the Blue Cross plans**, you may: (1) keep your existing coverage without enrolling in a Part D plan; (2) keep your existing coverage and enroll in a Part D plan as a supplement to that coverage; or (3) drop your existing coverage and enroll in a Part D plan. If you elect Medicare Part D coverage as a supplement to your existing coverage, your current coverage will not be affected. Alternatively, If you elect Medicare Part D coverage through Kaiser and also assign Medicare Parts A and B to Kaiser, you will be placed in the Kaiser Sr. Advantage Plan, which will coordinate with Medicare.

If you do decide to join a Medicare prescription drug plan and drop your current coverage, you and your dependents would be able to reenroll in the future during a *Flex* or *Mega-Flex* open enrollment period.

Please contact the County of Los Angeles Benefit Plan Administrator for more information about what happens to your coverage if you enroll in a Medicare prescription drug plan.

When Will You Pay a Higher Premium (a Penalty) to Join a Medicare Prescription Drug Plan?

It is important to note that if you drop or lose your coverage with the County and, although you are eligible to do so, you do not enroll in a Medicare prescription drug plan within 63 continuous days after your current coverage ends, you may pay a higher premium (a penalty) to enroll in a Medicare prescription drug plan on a later date.

If you go 63 continuous days or longer without Creditable Coverage, when you enroll in Medicare 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 such coverage. For example, if you go nineteen months without Creditable Coverage, your premium under Medicare may consistently be at least 19% higher than the Medicare base beneficiary premium. You may have to pay this higher premium (a penalty) for as long as you have Medicare prescription drug coverage. Additionally, you may have to wait until the beginning of the next enrollment period for Medicare prescription drug plans (i.e., October 15th) to enroll in the Medicare coverage.

For More Information About this Notice or Your Current Prescription Drug Coverage...

Please contact the **County of Los Angeles Benefit Plan Administrator** at the address listed below or the **Benefits Hotline** at the phone number listed below for further information.

NOTE: You will receive this notice at other times in the future indicating that you may enroll in Medicare prescription drug coverage. For example, you will receive this notice prior to the next annual enrollment period during which you may enroll in Medicare coverage and you will also receive a notice if your current prescription drug coverage with the County changes. You may request a copy of this notice by contacting the County of Los Angeles Benefit Plan Administrator at the address or phone number listed below.

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. If you are eligible for Medicare, you will get a copy of the handbook in the mail every year from Medicare. You may also be contacted directly by Medicare prescription drug plans. For more information about Medicare prescription drug plans:

- 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 (1-800-633-4227). TTY users should call 1-877-486-2048.

For people with limited income and resources, extra help paying for Medicare prescription drug coverage is available. Information about this extra help is available from the Social Security Administration (SSA) online at www.socialsecurity.gov, or you may call them at 1-800-772-1213 (TTY 1-800-325-0778).

Remember to keep this notice. If you enroll in a Medicare drug plan, you may be required to provide a copy of this notice when you join to show that you maintained creditable coverage and that you are not required to pay a higher premium amount for coverage (a penalty).

Date: September 15, 2011

Entity providing this Notice:
County of Los Angeles

Contact: Benefit Plan Administrator

Address: 3333 Wilshire Boulevard, Suite 1000,
Los Angeles, CA 90010

Benefits Hotline: (213)-388-9982



CONTACT INFORMATION

Contact	Phone Number	Fax Number	Website
BENEFITS SYSTEM			
Benefits Enrollment	888-822-0487	310-788-8775	www.mylacountybenefits.com
COUNTY DEPARTMENT OF HUMAN RESOURCES			
Benefits Hotline	213-388-9982	N/A	http://www.dhr.lacounty.info/
MEDICAL			
Kaiser Permanente	800-464-4000	N/A	my.kp.org/ca/countyofla
Anthem Blue Cross	866-940-8303	N/A	www.anthem.com/ca/countyoflosangeles
DENTAL			
SafeGuard	800-880-1800	N/A	www.safeguard.net
DeltaCare	800-422-4234	N/A	www.deltadentalins.com
Delta Dental	888-335-8227	N/A	www.deltadentalins.com
FLEXIBLE SPENDING ACCOUNTS			
Benefit Concepts, Inc. (starting Jan 1, 2012)	866-629-6436	800-629-6390	www.mylacountybenefits.com
Ceridian (through Dec 31, 2011)	866-300-2303	888-367-3305	www.mylacountybenefits.com
LIFE			
MetLife	800-846-0124	N/A	www.mylacountybenefits.com * Click on the MetLife link
AD&D			
CIGNA Life	800-842-6635	N/A	www.cigna.com

The County of Los Angeles cares about you and your family. That’s why we offer benefits that provide for your needs today and in the future. Through a comprehensive benefit program that includes medical, dental, life, and LTD health insurance, we help you enrich your life while protecting your future and your loved ones.

This Highlights Guide is not an official Summary Plan Description (SPD) or official plan document. If you need a copy of an official plan document, contact the plan’s customer service department directly. If there is a difference between what you read in this guide and what you read in an official plan document, the official plan document will rule.