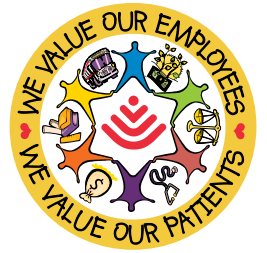


Texas Children's Hospital

2011 Benefits and Wellness Guide



Health Matters... Choose Wisely.



Texas Children's Hospital®



DEAR FELLOW EMPLOYEES,

I'm so proud to be an employee of Texas Children's, voted by you as one of the Houston Business Journal's top ten Best Places to Work for the 5th consecutive year, and one of only eight children's hospitals nationally (and the only one in Texas and the entire Southwest) named to the *U.S. News and World Report* Honor Roll! Thanks to your efforts, Vision 2010 is becoming a reality even as we face the challenges of an uncertain economy and healthcare environment. As we expand our services for patients and our community, we must remember how important it is to first take care of ourselves and our families.

Texas Children's competitive total rewards package helps our talented employees, like you, meet their own needs as well as those of their families. Your income is certainly a big reason that you work, but it is only one part of the total package you receive. Sometimes it's good to remind ourselves about some of the other things that also help make this a great place to work, like:

- Comprehensive health care, life insurance, and long-term disability benefits
- Retirement and college savings plans to help you achieve financial security
- Subsidized close-to-campus parking, bus/rail, park & ride, and van pool services
- Wellness programs that promote a healthy lifestyle
- A generous paid time off program
- Work/life programs, such as the Employee Assistance Program, that help balance your career with your personal priorities

Texas Children's strives to offer benefits that are both meaningful and affordable. In 2011, most benefits remain the same as those offered in previous years, though there are some differences. Some changes are the result of Health Care Reform legislation, and others were put in place because of our ongoing commitment to providing you with the best benefits at the best price.

One significant change that I'm pleased to announce, after a thorough review process, is the selection of **BlueCross BlueShield of Texas (BCBSTX)** as our medical and dental provider for 2011. Known for excellent customer service, BCBSTX provides access to one of the largest networks of doctors and hospitals in Texas and nationwide.

TCH Select Dollars will continue to be provided to help offset benefits costs and reduce the total amount you pay for benefits each pay period. **SelectPlus Dollars** will be added in 2011 to help minimize the impact of higher benefits costs for employees enrolled in our Texas Children's medical plan and earning \$14 per hour or less.

In 2011, be on the lookout for more information promoting healthier lifestyles for you and your family. Take advantage of our Focused Health Solutions offering, designed to improve the health of those employees living with a chronic illness. Participation could mean copay rebates and monetary incentives. Health matters, and we are all about sustaining the healthiest possible workforce and taking actions that help lower health care costs and your out-of-pocket expenses.

Please use this guide to take full advantage of the comprehensive benefits and services available to you and your family – and keep it handy for future reference. If you haven't recently checked out the value of your complete package on your personal Total Rewards e-Statement, simply open the Connect home page, click on the link to logon to MOLI, and then click on "TCH Total Rewards." As always, if you have questions or feedback about your benefits, you may:

- Call the Total Rewards Mainline at 832-824-2421, press 1 for Benefits
- Email TotalRewards@texaschildrens.org
- Review the benefits policy information located on the Texas Children's Connect Website

I wish you and your family a successful year filled with joy and well-being.

Sincerely,

Linda Aldred
Sr. Vice President
Texas Children's Hospital

Si prefiere discutir sus opciones de beneficios en español o' tiene preguntas, favor de llamar al number 832-824-2421 option number 1, o' puede visitor el departamento de HR or el centro de servicio.

2011 BENEFITS AND WELLNESS GUIDE

Eligibility	3
Medical Benefits	4
BlueCross BlueShield of Texas – PPO (pre-existing conditions for adults only)	
BlueCross BlueShield of Texas – EPO	
BlueCross BlueShield of Texas – Online Resources through BlueAccess for Members (BAM)	
Waiving Medical Coverage	
When Coverage Ends	
TCH Core Benefits	
Express Scripts for Prescription Drugs	6
Generics Preferred Program	
Step Therapy Program	
Prior Authorization Program	
Specialty Drugs (Tier 4) Through CuraScript	
Select Home Delivery Program	
Maternity Care (The St. Luke’s Labor and Delivery Experience and Savings!)	10
Fertility and Advanced Reproductive Technology Benefits	12
Disease Management through Focused Health Solutions	13
Wellness In The Workplace (Preventive Care, BlueExtra Savings and Types of Care)	14
Medical Comparison Chart (PPO and EPO Plans)	15
Dental Benefits (High and Low Option Comparison Chart)	16
Vision Benefits through VSP	17
Flexible Spending Accounts through PayFlex	18
Dependent Care FSA	
Health Care FSA and MasterCard Debit Card via HealthHub	
Life Insurance through Prudential	22
Basic Life and Basic AD&D	
Optional Life and Optional AD&D	
Spouse and Dependent Life	
Long Term Disability Benefit	
Will Preparation Service	
Long Term Care through John Hancock	24
Retirement and Savings Plan Benefits	25
403(b) Savings Plan through Fidelity	
Cash Balance Pension Plan	
Fidelity 529 College Savings Plan	
Commuter Benefits and Employee Health	28
Balancing Work, Home and Family:	29
Time-Off Benefits, Adoption Assistance, Ticket Discounts, Service Recognition & Teams Sports Subsidy	
Interim Backup Care Benefit through Bright Horizons	30
Employee Education and Development Opportunities	31
Benefit Election (Status) Changes and CHIP Information	32
Special Enrollment Rights	35
Continuation Coverage Rights Under COBRA	36
Your Rights	39
Vendor Contact Information (websites, passwords, etc.)	43
TCH Select Dollars	44
TCH Select Plans and 2011 Per Pay Period Premium Costs	45

THIS REFERENCE GUIDE AND ‘DETAILED’ BENEFITS INFORMATION IS ALSO AVAILABLE ON THE TEXAS CHILDREN’S CONNECT / HR WEBSITE.

TO ACCESS FROM HOME: <https://myprofile.texaschildrenshospital.org>

The Benefits Summary Plan Description (SPD), also available online describes major plan provisions, limitations and exclusions of the TCH Select Plans. Call Total Rewards at 832-824-2421 (option 1 for Benefits) with any questions you may have.

THE COST TO PRINT THIS GUIDE WAS GENEROUSLY DONATED BY BLUECROSS BLUESHIELD OF TEXAS.



Printed on paper made from 10% post-consumer waste.

Texas Children’s Total Rewards logo encompasses the overall package of diverse benefits, employee wellness initiatives and work~life balance offerings that, when utilized, can promote and provide security and comfort to you and your family.



The TCH Select Plan includes your Medical, Dental, Vision, Life, Accidental Death and Dismemberment, Disability, and Long-Term Care Insurance, along with Health Care and Dependent Care Flexible Spending Account options.



Employee Select Dollars are additional dollars provided by TCH to help employees offset the cost of their benefits premiums.



Employee Health oversees the Employee Assistance Program (EAP), employment health screenings, immunization and on-site mobile mammography offerings, as well as manage long-term disability, Family Medical Leaves and personal leaves.



Parking and Commuter Benefits include bus and van pool subsidies and free off-campus parking.



Retirement and Savings Plans are available to provide financial security for you and your family’s future. Retirement benefits include the Texas Children’s Cash Balance Pension Plan and the Texas Children’s 403(b) Savings Plan. The 529 college savings plan is a great tool to help employees save (tax-free) for your family’s future educational needs.



Tuition Assistance allows employees the opportunity to offset the cost of their college tuition (including courses, most fees and required books) for a course of study that would support you in your role at Texas Children’s.



Work~Life Benefits offer multiple ways to help you balance your work and personal life. Adoption assistance, temporary back-up care (for children to elders) and a generous paid time off program are benefits available to TCH-paid employees. Additional work~life balance benefits are available, primarily for but not always limited to, TCH-paid employees.



HR encourages you, as a healthcare consumer, to fully educate yourself before making important benefit decisions for you and your dependents. This guide is intended to be a valuable resource to inform you of new Health Care Reform, your benefit plan options and other important details you need to know.



ELIGIBILITY

EMPLOYEES

Texas Children's full-time (at least 36 hours/week) and part-time employees (at least 17.5 hours/week) are eligible to participate in all the benefits and wellness programs on the first day of the full pay period following 30-days of employment. Per diem employees (under 17.5 hours/week) are eligible to participate in the parking and commuter benefits, 403(b), Employee Assistance Plan (EAP) and various wellness initiatives.

You may enroll your eligible dependents in the medical, dental, and vision plans.

ELIGIBLE DEPENDENTS INCLUDE:

- **Legal spouse**
- **Child.** Your natural child, stepchild, adopted child, or child who has been placed for adoption with you or a child for whom you are involved in a suit in which you are seeking to adopt such child, a child for whom you have been appointed legal guardian, or a child who is recognized under a Qualified Medical Support order.
- **Child(ren) under age of 26** (no longer required to be full-time students between 19-25).
- **Grandchildren under age 26 for whom you have custody and who reside in your household** are eligible for the dental and vision plans without being enrolled in school.
- **Incapacitated Child.** Physically or mentally unmarried child incapable of self-support is eligible under Texas Children's Select Plan as long as they were deemed incapacitated prior to their 26th birthday.



Social security numbers are required to enroll all dependents in the Medical, Dental and Vision Plans.

If you and your dependent (spouse or child) are both eligible employees of Texas Children's and elect to have any coverage, you each need to elect individual coverage(s) OR if you elect family coverage, you will only be allowed one family plan and the other employee should waive coverage. Only one employee may cover a dependent child on any plan.

WHEN COVERAGE BEGINS FOR TEXAS CHILDREN'S SELECT PLANS

- **New hire full or part-time employees** - Health care coverage begins on the first day of the full pay period following 30 days of employment. You have 31 days from your hire date (initial period of eligibility) to complete enrollment paperwork and submit forms.
- **For employees currently eligible** - Each year during the fall open enrollment period, you choose benefit coverage(s) for the coming year. Your benefit election choices take effect on January 1st and remain in effect through December 31st.
- **Employees in a non-benefit eligible status who transfer to a regular full-time or part-time status** - Coverage will begin on the effective date of the change, provided you have been employed for 30 days or more. Your benefit election form is due to HR Benefits within 31 days from the date of the status change.



MEDICAL PLAN OPTIONS



WHEN CAN I ENROLL?

Upon your date of hire or the date you become in an eligible status you will be invited to attend a Benefits Orientation. During this orientation you will be given your personalized benefits enrollment form for your completion. This form must be completed and returned to the Benefits Department prior to your eligibility date. You should carefully read your Enrollment Guide to help you make the best elections for you and your family's needs. If the Benefits Department does not receive your benefits enrollment form prior to your eligibility date, you will be automatically enrolled in Texas Children's Core Benefit Plan. Refer to the Core Benefits tab within this guide.

BLUECROSS BLUESHIELD OF TEXAS (BCBSTX)



The TCH Select Plan Provides Two Medical Plan Options in 2011:

- BlueCross BlueShield of Texas (PPO)
- BlueCross BlueShield of Texas (EPO)

Both TCH Select Plan options provide comprehensive medical coverage through the BCBSTX provider network and prescription drug coverage through Express Scripts.

An enhancement to our program is the addition of a specialized provider to help manage any chronic conditions you may have, such as diabetes or heart disease. Focused Health Solutions will be managing your chronic care needs and administering your Health Risk Assessment.

BCBSTX Preferred Provider Network (PPO) - SIMILAR TO CURRENT AETNA POSII

This medical option offers you open access to the PPO network of providers of BlueCross BlueShield of Texas. **This option offers enhanced benefits for using a network provider, yet also provides benefits when a non-network provider is selected.**

- Most services are subject to an annual deductible and require you to share in the cost of services through coinsurance. Your coinsurance amount is subject to an annual out-of-pocket maximum. However, **copayments for all services will still apply even once the out-of-pocket maximum is met.**
- PPO Plan includes copayments for primary and specialist care. A copayment will apply for services billed by the physician office. ALL OTHER SERVICES NOT BILLED BY THE PHYSICIAN will be subject to deductible and coinsurance.

- Minor X-ray and lab services will also have a separate copayment, if obtained in a physician office or independent lab on a separate date. Major X-ray and lab (such as MRI, CAT scan, PET scan, etc.) will be subject to the deductible and coinsurance. Any x-ray or lab service obtained in an outpatient hospital setting or in the hospital will be subject to the annual deductible and coinsurance.

- Network providers will certify any hospital stay you require. **You are responsible for certifying any non-network hospitalizations with BCBSTX prior to receiving services.** Failure to do so, may result in the denial of benefits. BCBSTX's pre-certification number is on the back of your member ID card.



PPO PLAN CONTAINS PRE-EXISTING CONDITIONS FOR ADULTS ONLY

The pre-existing condition limitation does not apply to children under age 19. If you are a newly eligible employee and have eligible dependents, are adding dependents or are transferring to an eligible status, you may be subject to a pre-existing condition limitation. If you have signs or symptoms of a condition in the ninety (90) days prior to your effective date of coverage, and **Do not have current coverage, and Are age 19 and over** claims for that condition will not be covered for 365 days following your effective date of coverage. Claims for all other unrelated conditions will be covered under the provisions of either plan.

If you had other coverage prior to becoming effective and you have not had a break in coverage of 63 days or more, then you may not be subject to the pre-existing condition rule and can provide proof of prior coverage.

BCBSTX Exclusive Provider Network (EPO) -

SIMILAR TO CURRENT AETNA HMO

This medical option provides coverage for network services only. **You must access all medical care from network providers or the plan will not pay any benefits.** BCBSTX's broad network offers you a wide range of providers from which to select your Primary Care Physician and any necessary specialists. In addition, most hospitals in the Houston area are included in the network.

- The EPO medical plan is an open access plan. That means you may receive services from any network provider without a referral from a primary care physician, however, you will pay more to access a specialist. Internal medicine, family and general practitioners, pediatricians and ob/gyn practitioners are considered primary care. All other providers, including urgent care and after hours care will be considered specialists and you will pay the higher copay for services.
- The BCBSTX network is nationwide with providers in most areas of the United States; however, if you have a dependent living outside of the Houston area (ex. child away at college), you should check to make sure network providers are in their location. Otherwise, only care that is considered an 'emergency' will be covered. Under the EPO plan, you must use network providers in order for services to be covered; there are **no** non-network benefits in the EPO plan.
- Services are paid for through copayments each and every time you access care. The amount you pay will depend on the level and type of care you receive.
- Network providers will certify any hospital stay you require. The BCBSTX number is on the back of your member ID card.

TEXAS CHILDREN'S PEDIATRIC ASSOCIATES (TCPA) PARTICIPATES IN THE PPO AND EPO PLANS.

Both plans are included in the BCBSTX network so you can continue to access our Texas Children's providers. Go to www.texaschildrenspediatrics.org to find a location or pediatrician near you. TCPA has 44 locations throughout the Houston community with over 140 board certified or board eligible physicians with full service care for children (newborn to age 18).

NO FACILITY CHARGE FOR IN-PATIENT STAY AT TEXAS CHILDREN'S HOSPITAL-MEDICAL CENTER AND WEST CAMPUS

If you 1) use the Medical Center or the West Campus Texas Children's Hospital facility and 2) are covered through one of the TCH Select medical plans, you will not be responsible for the facility charges.

Both TCH Select Medical Plans offer facility charges paid at 100% for dependents who are in either plan; however, you will still pay for some physician charges and other charges.

BCBSTX IS YOUR ONLINE RESOURCE FOR CARE THRU **BAM**

Resources you can access now:

1. Find a network provider under "Provider Finder"
2. Find a dentist under "Dental Provider Finder"
3. Take a tour of BAM
4. Access Transition of Care Form

Go to www.bcbstx.com/tch and register on Blue Access for Members (BAM) with a username and password as of 1/1/11. Once registered, you will be able to:

- Print temporary ID cards
- Estimate the cost of medical services under "Treatment Cost Advisor"
- View and print your Explanation of Benefits for finalized medical and dental claims
- Find the medical plan that is right for you at "Health Plan Cost Estimator"
- Estimate the cost of dental care under "Dental Cost Advisor"
- Receive email notification of claim activity
- See your medical and dental benefit coverage summaries
- Download forms
- Compare quality indicators for surgery or hospitalization through "Care Comparison Tool"
- Get information on wellness and health issues
- Find discounts through BlueExtra for Complementary Alternative Medicine (CAM), Lifetime Fitness, Jenny Craig and TruHearing.
- Confirm coverage on employee and family members
- Contact customer service via email
- Get answers to Frequently Asked Questions
- Locate an urgent care provider in your area

WAIVING MEDICAL COVERAGE

You have the option to waive medical benefits entirely if you are enrolled in another medical plan. If you elect no medical coverage and you lose your other coverage during the year, or if you elect no medical coverage and have a qualifying Status Change, you may elect one of the medical plans for you and your dependents within 31 days of the loss of coverage (proof of loss of coverage is required). Refer to the Benefit Election Change tab within this guide for details.

WHEN COVERAGE ENDS

Medical, Dental, Vision, Life, AD&D, Disability, Health Care and Dependent Care Flexible Spending Accounts will end on the last day of the pay period containing the last day worked, your transfer date to an ineligible status for benefits or the day a dependent becomes ineligible for coverage.

CORE BENEFITS

TCH SELECT PLAN OPTIONS AUTOMATICALLY PROVIDE YOU WITH A BASIC LEVEL OF CORE BENEFITS

These benefits provide you with basic medical coverage as well as basic life insurance and long-term disability protection. You will automatically be enrolled in the core benefits shown below effective with your coverage begin date unless you waive coverage or elect coverage within 31 days from eligibility.

Medical PPO	Employee Only	Minimal Per Pay Period Deduction
Basic Life & AD&D	Employee Only	One times annual base salary
Long Term Disability	Full time employees only	50% of monthly base salary



EXPRESS SCRIPTS FOR PRESCRIPTION DRUGS

FOUR TIER DRUG FORMULARY

All drugs fall into one of the following categories:

Tier 1	Generic	Preferred
Tier 2	Brand Formulary	When generic is not available
Tier 3	Brand Non-Formulary	Least preferred
Tier 4	Specialty Drugs	Bio-tech drugs

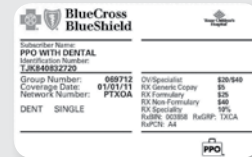


GENERIC PREFERRED

Texas Children's continues to offer a competitive prescription drug program, even while prescription drug costs are rising at a rapid rate.

In order to help control the cost, you can select generic drugs instead of brand named drugs whenever possible and ask your physician for the lowest cost effective medication for your condition.

Generic drugs, which are approved by the Federal Drug Administration, are the chemical equivalents of the corresponding brand name drugs. Therefore, you can take generic drugs with confidence in their effectiveness and safety. The only difference is the cost you pay. Generic drugs cost as much as 80% less than brand name drugs. By purchasing generics you can save \$20-\$40 per prescription (up to \$480 per prescription per year!) while also saving Texas Children's money and helping to lower rate increases in the future.



ONE BCBSTX ID CARD FOR YOUR PHARMACY, MEDICAL, DENTAL AND EAP NEEDS

Present your member ID card at the pharmacy when receiving any prescription. In order to receive benefits you must use an ESI participating pharmacy or obtain your medication through the Select Home Delivery program.

If you elect to purchase the brand name drug when a generic equivalent is available, you will pay the standard copayment for the generic drug plus the actual cost of the difference between the generic and brand as shown below. The cost you will pay is your choice to make.

Example:	Generic Drug	Brand Name - Non Formulary
Drug Cost: Simvastatin vs Zocor	\$26.83	\$139.47
Difference in Cost	\$ 0.00	\$112.64
Plan Copayment	\$ 5.00	\$ 5.00
Your Cost	\$ 5.00	\$117.64

Note: Zocor is used to treat high cholesterol.

If no generic is available for a brand name drug, you will pay the applicable formulary or non-formulary brand copayment as shown on the pharmacy chart.

STEP THERAPY

Step Therapy is a prescription drug program designed exclusively for patients who have certain conditions that require routine, ongoing medication. Step Therapy has been proven to be effective in the treatment of such conditions as ulcers, depression, high blood pressure, heart disease, cholesterol and allergies.

Step Therapy is a Two-Step Program

- **Step 1: Prescription Drugs:** The drugs recommended for you to take first – usually generic medications which have been proven safe and effective. You pay the lowest copayment for these drugs.
- **Step 2: Prescription Drugs:** These typically are brand-name drugs. Step 2 drugs are recommended only if a Step 1 drug does not work for you.

How it Works

When filling a new prescription, Express Scripts will verify your prescription history. If you have filled and received a prescription for a Step 1 drug within 130 days of attempting to fill a Step 2 medication and it was ineffective, you will be able to get the Step 2 drug. If you did not try a Step 1 medication or it has been longer than 130 days, you and your pharmacist will need to work with your physician and Express Scripts to authorize a different medication.

To Learn More About Step Therapy

Visit www.steptherapyfacts.com to watch a short video. Call Express Scripts at 800-316-3102 with your questions.

PRIOR AUTHORIZATION

Some drugs your doctor prescribes will require special approval or “prior-authorization” before being filled. This means that Express Scripts will need to make sure these prescriptions meet the plan’s conditions for coverage. Prior authorization encourages appropriate drug therapy for certain designated conditions.

To determine if your medication requires prior authorization, call Express Scripts at 800-316-3102 or visit www.express-scripts.com and use the “price-a-drug” feature. As you receive new prescriptions, check to see if it will be covered as the list is subject to change.

If a drug requires prior authorization, your doctor will need to contact Express Scripts at 800-417-8164 to see if the prescription meets your plan’s conditions for coverage.

Note: If your prescription is not covered and you and your doctor decide that you should still take this drug, you will pay the full cost of the medication.

LOOK IT UP ON EXPRESS SCRIPTS WEBSITE

The Express Scripts website is a good source of information about your prescriptions and your prescription drug benefits. Accessing your prescription benefit information online is quick and easy.

Visit www.express-scripts.com and complete the brief registration process to get started.

- Locate participating retail pharmacies near you
- Find out what you'll pay for a specific drug at retail and Home Delivery
- Order refills through Home Delivery and track the status of your order
- Realize if there is a generic equivalent available
- Review your 12-month prescription history
- Determine if prior authorization is required
- Identify first-line medications for step therapy
- Determine how to request generics from your physician
- Review current formulary



SPECIALTY DRUGS (TIER 4)

Specialty medications (also known as biotech, biological or injectibles) are those medications used for certain rare or complex conditions. These drugs are extremely expensive and usually have potentially serious side effects or interactions.

These specialty medications have been moved to a 4th tier and you will pay 10% of the cost of these medications or a minimum of \$50 per prescription, up to a maximum of \$150 per prescription. Out-of-pocket costs (for these medications only) will be limited to \$2000 per person per calendar year. These medications are only dispensed in a 30-day supply due to the need to continually adjust dosage. Such medications should be obtained through CuraScript, ESI's specialty medication division.

WHAT CURASCRIPT HAS TO OFFER

CuraScript is a leading provider of specialty drugs, offering the most comprehensive and convenient specialty pharmacy services available – at no additional cost to you.

CuraScript offers many products and services not available or offered by other pharmacies, along with the following services:

- Provides patients with individualized support to meet their unique needs. Highly trained Patient Care Coordinators will work closely with you, your physician and Express Scripts to obtain prior authorizations, coordinate billing with Express Scripts and will even contact you when it's time to refill your prescription.
- Delivers your specialty medications directly to you or your doctor.
- Provides you with the necessary supplies you need to administer your medication at no additional cost.
- Offers clinical based care management programs – which include consultation with your doctor – to help you get the most benefit from the specialty medications that your doctor has prescribed for you.

You can reach CuraScript at 1-866-848-9870 or online at www.curascript.com.



PRESCRIPTION DRUG COVERAGE THROUGH EXPRESS SCRIPTS

BENEFIT	PPO IN-NETWORK	PPO OUT-OF-NETWORK	EPO (NETWORK ONLY BENEFITS)
Retail Pharmacy – up to a 30 day supply			
■ Generic	\$5 copayment	65% reimbursement after network copayment applied. Member submits claim.	\$10 copayment
■ Preferred Brand – Formulary	\$25 copayment		\$35 copayment
■ Non-Preferred Brand – Non Formulary	\$40 copayment		\$50 copayment
Express Scripts Home Delivery – up to a 90 day supply			
■ Generic	\$10 copayment	Not Available	\$20 copayment
■ Preferred Brand – Formulary	\$50 copayment		\$70 copayment
■ Non-Preferred Brand – Non Formulary	\$80 copayment		\$100 copayment
Specialty Medications – (injectables, biotech drugs). Only through CuraScript. \$2,000 annual out-of-pocket maximum per person for Specialty Medication.			
	10% copayment minimum \$50 maximum \$150/prescription	Not covered	10% copayment minimum \$50 maximum \$150/prescription

Chart represents member cost.



SELECT HOME DELIVERY FROM EXPRESS SCRIPTS IS THE PREFERRED WAY TO FILL MAINTENANCE MEDICATIONS

Home Delivery from the Express Scripts Pharmacy provides an affordable way to obtain your maintenance medications, by allowing you to order up to a 90-day supply by mail for 2 copayments. It is the most cost effective way to fill prescriptions and helps you save money.

You may obtain your first and second fills of your maintenance medication at any participating pharmacy. Starting with your third fill, you will pay the full cost of your prescription unless you either move to the Express Scripts mail order home delivery or let Express Scripts know you choose not to participate in the mail order home delivery program.

4 Easy Ways to Get Started!

1. Visit www.StartHomeDelivery.com or
2. Call 888-772-5188 to get started or
3. Complete an Express Scripts Home Delivery Form and mail to Express Scripts with the prescription and copayment or
4. Express Scripts will call your doctor to get a new prescription started in Select Home Delivery.

Once Express Scripts has the prescription from the doctor, the process may take up to two weeks if awaiting documentation. Please have a 30-day supply of your medication(s) on hand when you begin the Home Delivery Program.

FREQUENTLY ASKED QUESTIONS

How do I Opt In or Opt Out of the Select Home Delivery program for my maintenance drugs?

Simply call the Express Scripts Member Choice Center at 1-888-772-5188.

What if I'd prefer to get some of my maintenance medications at my retail pharmacy?

You have the option to opt in or out for one or all of your maintenance medications.

What medications are included in this program?

The maintenance medications you take regularly for ongoing conditions, such as high blood pressure, high cholesterol, thyroid and asthma, are included. To find out if a specific prescription drug is considered a maintenance medication on your plan, call the 1-800-316-3102 member services number.

How do I pay for my prescriptions?

All orders should include payment information to allow processing without delay. Orders may be paid by:

- Flexible Spending Account (FSA) debit card
- VISA, MasterCard, American Express or Discover
- Bank-issued debit card
- Personal check or money order payable to Express Scripts

How long will it take to process and deliver my prescription?

First-time orders, please allow 10 to 14 days for delivery from the time Express Scripts receives your order. Once they have processed your first order, subsequent refills will be shipped within 3 to 5 days from the time the refill request is received.

How will my order be mailed?

Orders are sent by first-class mail in unmarked, tamper-proof packaging. There is no indication on the package that it is from a pharmacy. They are delivered by your regular carrier, unless the medication requires special handling (such as refrigeration).





TEXAS CHILDREN'S IS EXPANDING...

MATERNITY CARE

As you are aware, Texas Children's is expanding throughout the Houston area. In addition to the West Campus opening near Katy in late 2010 and early 2011, we will be completing our Texas Children's Maternity Center in 2012. Until then and throughout 2011, the facilities open for maternity services for Texas Children's are:

- St. Luke's Episcopal Hospital Medical Center
- St. Luke's The Woodlands Hospital
- St. Luke's Sugar Land Hospital

AT WWW.BIRTH.TEXASCHILDENS.ORG
YOU CAN:

- Compare hospitals and maternity programs
- Create a birth plan
- Register for birthing classes
- Sign up to take a tour of St. Luke's
- See a map of St. Luke's Hospital
- Review the amenities provided to St. Luke's
- Get ideas on what to pack for the delivery stay

St. Luke's Facility Charges Paid at 100% for Mom and Baby

Expanding our footprint gives you an opportunity to save money by utilizing our services for pediatric care as well as for maternity care while obtaining world renowned quality services.

Through St. Luke's system, and when our Maternity Center is completed, we will continue to offer maternity related care at no cost to our plan members for facility charges. Facility charges, including private maternity room, will not be subject to copayments, deductibles or coinsurance for you or your baby. So, how can this save you money?

COMPARE AND SAVE!

MATERNITY FACILITY CHARGES (Employee Cost)				
	PPO		EPO	
Delivery (Baby/Mom)	At SLEH	Not at SLEH	At SLEH	Not at SLEH
Deductible	\$0	\$500 (each)	n/a	\$0
Coinsurance	\$0	20%	n/a	\$0
Copayments	n/a	n/a	\$0	\$300 per day per person
Baby Cost	\$0	\$800	\$0	\$900
Mother Cost	\$0	\$1,000	\$0	\$900
TOTAL COST	No facility payment	\$1,800 + physician charges	No facility payment	\$1,800

Assumes non-SLEH facility is in the BCBSTX network.

Assumes Facility single baby cost is \$2,000 and mother cost is \$3,000 for a 3-day stay.

THE ST. LUKE'S LABOR AND DELIVERY EXPERIENCE IS DIFFERENT:

UNIQUE FAMILY-CENTERED MATERNITY CARE

- Postpartum care for mother and baby together, rather than apart
- Based on the principal that the mother is the best care provider for the baby
- No separation of mother and baby unless medically necessary
- Additional baby care and support for successful breastfeeding
- Provides a private room for the mother and baby

Supportive of Natural techniques

- Aromatherapy
- Breathing techniques
- Music
- Massage
- Walking during labor
- Hydrotherapy
- Birth ball

Specialized prenatal or neo-natal care by direct transfer to Texas Children's Hospital should it become necessary.

LACTATION SUPPORT FOR NURSING MOTHERS

As international leaders in caring for the health of babies and children, Texas Children's Hospital knows the importance of mother's milk to the health and development of newborn babies.

Breastfeeding support, advice and resources are a phone call or e-mail away. Visit the Texas Children's Milk Bank website for more information.

FERTILITY BENEFITS

TEXAS CHILDREN'S OFFERS BENEFITS FOR FERTILITY TREATMENT UNDER BOTH MEDICAL OPTIONS UP TO \$20,000 PER LIFETIME

Fertility benefits through BCBSTX:

- Pre-certify to ensure coverage
- All fertility benefits are subject to applicable copayments, deductibles, and coinsurance.
- Some diagnostic and treatment services for underlying causes of infertility may be covered. Call BCBSTX for details.
- \$20,000 lifetime limit for all fertility related treatment applies to medical and prescription drugs services.
- Fertility medications should be coordinated through Freedom Fertility at 1-800-660-4283 or www.freedomfertility.com
 - Online ordering and refills
 - Free express shipping on all orders
 - Education materials
 - Online video coaching
 - Around the clock telephone access to nurses and clinical pharmacists who specialize in fertility care.

Advanced Reproductive Technology (ART) includes, but is not limited to, In-Vitro Fertilization (IVF).

ART Benefits provided through one of the following ART providers only.

Physician	Phone	Address
William E. Gibbons, MD	713-798-7500	6620 Main Street, Suite 1450, Houston, TX 77030-2346
Ertug Kovanci, MD	713-798-7500	6620 Main Street, Suite 1450, Houston, TX 77030-2346
Michael Joseph Heard, MD	713-797-1144	6624 Fannin Street, Suite 1800, Houston, TX 77030-2330



FOCUSED HEALTH SOLUTIONS

CHRONIC CONDITION MANAGEMENT

Texas Children's cares about you! A healthy you means a healthy place to work. We have partnered with Focused Health Solutions to help you manage certain high-risk chronic conditions.

- Diabetes
- Chronic Obstructive Pulmonary Disease (COPD)
- Congestive Heart Failure (CHF)

By taking your medications regularly and getting any required testing, improving your nutrition and engaging in exercise, you may be able to slow or reverse the progress of your disease! Effectively managing chronic conditions can improve the quality of your work and personal life.

We all want to know how we can take better care of ourselves and improve our health. Through Focused Health Solutions nurse engagement program you will determine how ready you are to make changes, set goals, learn how to achieve them, and progress down the path to managing and controlling your condition. **AS A BONUS, WHEN YOU REACH YOUR GOALS YOU MAY RECEIVE MONEY BACK!** Improving your health starts with you, make a commitment to start today.

Improved health starts with you and your personal nurse coach! They will help guide you throughout the process to answer questions about symptoms, medications, exercise, education and personal wellness goals.

Focused Health Solutions will be reaching out to you and will support you with your management plan. Employees concerned about their chronic condition may inquire about the program by calling 1-888-352-9355.

WEB-BASED HEALTH INFORMATION CENTER



Effective 1/1/11, the easy-to-use My Focused HealthSM program will allow you access to:

- an extensive library of health-oriented information and interactive features
- a health coach to review the results of your online Health Risk Assessment and provide feedback.

Employees will be able to devise a personal action plan and take that important first step toward a healthier you.

DISEASE MANAGEMENT



- **You may qualify to receive a refund of some copayments** if you actively participate in a disease management program with nurse engagement and achieve your mutually agreed upon goals! This is a great way to improve your health and earn a few dollars! **Focused Health Solutions can be reached at 1-888-352-9355.** Call after 1/1/11.



- The network of providers is the same for both plan options. You can view all participating providers at the www.bcbstx.com/tch website.

Wellness in the Workplace

HOW TO ACCESS NO-COST PREVENTIVE CARE UNDER BOTH MEDICAL PLANS

Both medical plan options cover preventive care benefits for adults and children. Your benefits for preventive care services are free of cost to you and your dependents if you utilize a network physician.

Preventive exams include an annual physical exam, basic biometric/lab screening, AMA recommended well-child exams and immunizations, well-woman exams with associated testing, mammogram and well-man exams and prostate screenings and certain other screening tests when performed for preventive reasons. Suggested exams can be found on the www.bcbstx.com/tch website under tab "Suggested Preventive Services".



SAVE MONEY WITH BLUEEXTRAS

BlueCross BlueShield of Texas wants to help you save money with BlueExtras value-added programs that give you and your family discounts on health-related services. BCBSTX will continue to add programs to BlueExtras so be sure to visit the website for updates.

Current BlueExtra discounts include:

- Memberships at Fitness Centers
- Lifetime Fitness: No enrollment fee, free 7-day pass and free assessment
- Jenny Craig: Weight Loss Programs that Fit Your Style
- Complementary Alternative Medicine: discounts for gym memberships, massage therapy, yoga, pilates, personal trainers, acupuncture, etc.
- TruHearing: significant discounts on popular brand hearing aids

www.bcbstx.com/tch

EMERGENCY OR URGENT CARE: IMPORTANT TO KNOW THE DIFFERENCE

- **Doctor Care.** See your doctor for minor problems such as strep throat, ear infections, check-ups, condition management, testing and care of ongoing medical conditions.
- **Urgent care for non-emergencies.** Urgent care centers provide care when your doctor isn't available but it is not a true life-threatening emergency. For example, urgent care centers can treat sprained ankles, fevers, minor cuts and injuries.
- **Emergency room care.** For serious threats to your health, you need emergency care. If you have an emergency:
 - Call your local emergency number, such as 911 or go to the nearest ER
 - Once you are stable, ask the staff to call your doctor. Your doctor can share information regarding your health and medications with the ER staff

Type of Care	PPO	EPO
Urgent Care	\$40 copay	\$45 copay
Emergency Room (ER) Care	20% after \$500 annual deductible plus additional \$100 ER copay	\$300 copay



MEDICAL COVERAGE COMPARISON CHART



BENEFIT	PPO NETWORK	PPO NON-NETWORK	EPO (NETWORK ONLY BENEFITS)
Lifetime Maximum	Unlimited		Unlimited
Annual Deductible ■ Individual/Family	\$500/\$1500	\$1,500/\$4,500	N/A
Coinsurance ■ Employer Paid ■ Employee Share	80% 20%	60% 40%	N/A N/A
Annual Out of Pocket Maximum (not including copays or deductible) ■ Individual/Family	\$2,500/\$5,000	\$5,000/\$10,000	N/A
Office Visits ■ Primary Care ■ Specialist ■ Urgent Care ■ Preventive Care	\$20 copay \$40 copay \$40 copay 100%, deductible waived	40% after deductible 40% after deductible 40% after deductible 40%	\$25 copay \$45 copay \$45 copay \$0 copay
Ambulance	20% after deductible	20% after deductible	\$0 copay
Therapy ■ Physical, Speech and Occupational	20% after deductible	40% after deductible	\$45 copay
Chiropractic Care	20% after deductible	40% after deductible	\$45 copay
	maximum 30 visits/calendar year		
Minor Diagnostic Testing and Laboratory Testing ■ Billed by Doctor's office ■ Outpatient facility ■ Independent Lab	Included in Office Visit copay (if services incurred same day) 20% after deductible \$20 copay	40% after deductible 40% after deductible 40% after deductible	Included in Office Visit copay (if services incurred same day) \$0 copay \$25 copay
All Major Diagnostic Testing CT, MRI, Pet scans, etc.	20% after deductible	40% after deductible	\$45 copay
Emergency Room	20% after \$100 copay & deductible	20% after \$100 copay & deductible	\$300 copay
Hospitalization 100% benefit for facility charges if Texas Children's Hospital is used	20% after deductible	40% after \$100/admission deductible and calendar year deductible	\$300 copay per day, \$900 maximum/person/year
Durable Medical Equipment	20% after deductible	40% after deductible	\$0 copay
Maternity 100% benefit for facility charges if a St. Luke's Episcopal Hospital is used	20% after deductible	40% after deductible	\$300 copay per day, \$900 maximum/person/year
Outpatient Surgery	20% after deductible	40% after deductible	\$500 copay, \$500 maximum/person/year
Mental Health and Substance Abuse Treatment	Treated the same as any other illness.		
Pre-existing Condition Limitations Over the age of 19 (Refer to Eligibility tab)	Some pre-existing conditions may apply.		N/A

Chart represents member cost.

TCH SELECT DENTAL PLAN



TEXAS CHILDREN'S SELECT PLAN OFFERS TWO DENTAL PPO OPTIONS THROUGH BLUECROSS BLUESHIELD OF TEXAS.

The High Plan most closely resembles the previous DPPO plan while the Low Plan provides a lower cost option, utilizing any dental providers with reduced benefits.

The benefits are the same whether you use in network or non-network dental providers. The following are a few differences between the two dental options:



- High and Low Options include child and adult orthodontia
- High option has higher annual limits
- Endodontics and periodontics are considered a Basic service under the High Plan — paid at 80% and considered a Major service under the Low plan — paid at 25%.

Texas Children's will no longer offer the DHMO option effective January 1, 2011.

DENTAL PLAN

DENTAL COVERAGE COMPARISON CHART



PLEASE REVIEW THIS DENTAL BENEFIT CHART CLOSELY. THE DENTAL BENEFITS FOR 2011 ARE VERY DIFFERENT FROM THE PRIOR YEAR!

BENEFIT	DPPO 'HIGH' OPTION NETWORK AND NON-NETWORK	DPPO 'LOW' OPTION NETWORK AND NON-NETWORK
Annual Deductible		
■ Individual	\$50	\$50
■ Family	\$150	\$150
Maximum Annual Benefit - per individual	\$1,500	\$1,000
Preventive Care – Exam, cleaning, X-rays up to twice per year	No cost No deductible	No cost No deductible
Basic Services – Fillings	20% after deductible	50% after deductible
Endodontic and Periodontic Services – gum procedures	20% after deductible	75% after deductible
Major Services – Crowns, inlays, onlays, bridges, dentures	50% after deductible	75% after deductible
Orthodontia		
■ Diagnosis and Treatment (Child)	50% after separate \$50 lifetime deductible	50% after separate \$50 lifetime deductible
■ Diagnosis and Treatment (Adult)	50% after separate \$50 lifetime deductible	50% after separate \$50 lifetime deductible
■ Orthodontia (Lifetime Maximum)	\$1,500	\$1,000

Chart represents members cost.

BENEFIT	DPPO 'HIGH' OPTION	DPPO 'LOW' OPTION
Non-Network Benefit Allowance	Subject to 90% of allowable charge	Covered same as Network subject to maximum allowable charge



TCH SELECT VISION PLAN – (VSP)

Under TCH Select you also have the option to participate in the VSP vision plan. VSP is built on commitment to eye care wellness and private practice doctors. They have built the largest network of optometrists and ophthalmologists in the industry to deliver quality care. The VSP vision plan includes an annual eye exams and one pair of prescription glasses or contacts.

Out-of-network providers may be used; however, reimbursement benefits will be limited to those shown in the chart below.

VISION COVERAGE THROUGH VSP

BENEFIT	FREQUENCY	COPAYMENT	COVERAGE USING AN IN-NETWORK VSP DOCTOR	OUT-OF-NETWORK REIMBURSEMENT
Eye Exam Glasses OR contacts	Once per plan year	\$0	Covered in full	Up to \$45
Lenses	Once per plan year	\$0	<ul style="list-style-type: none"> ■ Single Vision, lined bifocal or lined trifocal covered in full ■ Polycarbonate covered for dependents up to age 19 	Single vision lenses Up to \$30 Lined bifocal lenses Up to \$50 Lined trifocal lenses Up to \$65
Frames	Once per plan year	\$0	Covered up to \$120 retail frame allowance	Up to \$70
Contact Lenses	Once per plan year	\$0	\$120 allowance for contacts and exam (fitting and evaluation). This additional exam insures proper fit.	Up to \$105
Lasik Vision Correction	VSP has contracted many laser surgery centers and offers a discount for Laser Vision Correction (PRK LASIK and Custom LASIK). Average 15% off the regular price or 5% off the promotional price from contracted facilities.			
Other Discounts and Savings	<ul style="list-style-type: none"> ■ 20% off lens options such as progressive and scratch resistant and anti-reflective coatings. ■ 20% off additional glasses and sunglasses, including lens options – available from any VSP doctor within 12 months of your last eye exam. ■ Average 15% off the contact lens fitting and evaluation exam 			

LOOK IT UP ON VSP'S WEBSITE

The VSP website www.vsp.com/go/tch is your source for information regarding your vision care benefits.

- Locate a VSP provider
- Find lenses, frames and contact lens savings
- See benefit information
- Print a VSP ID card (not required to receive care and services)

No member ID card is required. Call the doctor directly for an appointment. Additional help is available from Member Services at 1-800-877-7195.

VSP now offers Open AccessSM
which allows members the flexibility to use their VSP benefits at any location, including specialty optical boutiques or retail chains. While 95% of our members choose a VSP provider to maximize their benefit, we offer a generous enhanced reimbursement for services from *all other providers*.





FLEXIBLE SPENDING ACCOUNTS (FSA) PLANS

PAYFLEX WILL BE HANDLING ALL YOUR FSA NEEDS.

Beginning January 1, 2011, all flexible spending account expenses (health care and dependent care) should be submitted to Payflex for reimbursement!

Two Flexible Spending Account Options

Flexible Spending Accounts (FSAs) offer an attractive way to use pre-tax dollars to pay for eligible health care and dependent care day care expenses.

- **A Health Care account** reimburses you for out of pocket medical, dental, vision and prescription drug expenses, such as deductibles, copayments and coinsurance.
- **A Dependent Care account** reimburses you for expenses such as day care, before and after school programs, nursery school or preschool, summer day camp and even adult day care for IRS eligible dependents.

Determining Your Pledge Amount

Start by estimating the amount that you will incur for eligible health care and dependent day care expenses during the plan year to determine your annual contribution. The annual contribution amount, divided by 26, will then be the amount deducted from your paycheck each pay period.

FSA Facts

- **Enrollment is necessary** each year in which you wish to participate.
- **FSAs are an optional benefit.**
- **No Transfers.** You cannot transfer dollars from the health care FSA to the dependent care FSA or vice versa.
- **No Changes to the FSA Contributions.** You cannot change your FSA contribution election until the next annual enrollment unless you experience a qualifying Family Status Change or a Job Status Change. Refer to the Election Change tab within this guide.
- **No Refunds.** You will not receive a refund of unused deducted FSA contribution pledge amounts.

LOOK IT UP ON THE PAYFLEX WEBSITE

A HealthHub account, powered by PayFlex, is not only your solution to saving money, but combined with a PayFlex Debit Card (for those who enroll to participate in the Health Care FSA), it provides a simple way for spending your money too!

You can register online by clicking Register. Then create your own security question and password. **www.HealthHub.com** allows you to:

- Obtain your balance or see your Card Status on My Dashboard
- View all transactions
- See unsubstantiated transactions that require additional claim validation
- File a claim (upload documents) or provide substantiation
- Decide if payments should be made to you or "them"
- View listing of all eligible expenses
- Calculate tax savings using the "Savings Calculator"
- Determine if Dependent Care FSA is right for you using "Dependent Care Tax Wizard"
- Order additional cards for spouse or children
- Sign up for electronic account updates
- Enroll in Direct Deposit
- Shop online for healthcare related expenses
- View Frequently Asked Questions

DEPENDENT CARE FLEXIBLE SPENDING ACCOUNT (DCFSA)



The Dependent Care FSA is similar to the Health Care FSA, allowing you to set aside pre-tax money for dependent care expenses.

If you participate in the DCFSA, Texas Children's will automatically deposit \$260 in your DCFSA for your immediate reimbursement of eligible expenses.

MAXIMUM DEPENDENT CARE PLEDGE

The maximum annual pledge amount you can deposit into the DCFSA each year is \$5,000 (\$2,500 if you are married and file a separate income tax return). **The maximum pledge should include the \$260 that Texas Children's contributes on your behalf to your DCFSA.**

Eligible dependent expenses are those that would qualify for a child care tax credit on your federal tax return. You must file a Form 2411 annually with your tax return identifying all your dependent care providers. All providers must be licensed day care facilities complying with state and local laws.

ELIGIBLE DEPENDENTS INCLUDE:

- Dependent under the age of 13
- A dependent who is physically or mentally incapable of caring for him/herself, has the same principal residence as you for more than half of the year; and has less than \$3,200 in total income for 2011 if over the age of 13; or
- A spouse if he/she is physically or mentally incapable of caring for him/herself, has the same principal residence as you for more than half of the year and has less than \$3,200 in total income for 2011.
- You must be able to claim the dependent on your federal tax return.

ELIGIBLE EXPENSES INCLUDE

those expenses that are necessary for you (and if married, your spouse) to work, unless your spouse is a full time student or is disabled. Below are some eligible expense parameters. For a more detailed list of allowable expenses, visit www.HealthHub.com.

- Care for your dependents while you work
- Copayment to Bright Horizons for interim backup care
- Summer Day Camp (not overnight)
- Before and after school care
- Nursery School
- Must be for services received after the effective date of the election and during the plan year in which it applies
- Must be for services rendered; not for future services

NOTE: You will be reimbursed up to only the amount currently deposited in your DCFSA account.

Important Dates

DEPENDENT CARE FLEXIBLE SPENDING ACCOUNT (DCFSA) PARAMETERS	IRS DEADLINE DATES
Deposits made in calendar year 2011 must be used for expenses incurred:	Jan 1, 2011 - Dec 31, 2011
For claims incurred in calendar year 2011, claims substantiation must be submitted to PayFlex by this date to avoid forfeiture of unused contributions:	April 30, 2012

EXPANDED PAYFLEX HOURS PROVIDE ADDITIONAL SUPPORT FOR YOUR FSA QUESTIONS:

- Call PayFlex at 1-800-284-4885
 - Monday-Friday 7a - 7p
 - Saturday 9a - 2p

HEALTH CARE FLEXIBLE SPENDING ACCOUNT (HCFSAs)



WHAT YOU NEED TO KNOW ABOUT A HEALTH CARE FSA

- You can only pledge your contribution to an FSA during open enrollment or when you first become eligible.
- Once you establish your plan year pledge you may only change it if you experience a change in status. Refer to Election Changes section of this guide.
- **Enrollment is required each year in which you wish to contribute** because your contribution election does NOT automatically roll-over from year to year.
- You may contribute a minimum of \$5.00 per pay period up to \$5000 per calendar year.
- Your total annual contribution pledged to the Health Care FSA is available to you immediately.
- Contributions are not taxable according to IRS regulations.
- Expenses may be for yourself and/or your eligible dependents, whether or not they are covered under the Texas Children's Select Plan for medical, dental or vision.
- Expenses must be incurred during a period in which the employee is covered under the Health Care FSA.

THE HEALTH CARE FSA GRACE PERIOD

The Health Care FSA Grace Period includes an extended period of coverage at the end of every plan year that allows you extra time to incur expenses to use your remaining Flexible Spending Account balance after the close of the plan year. The Grace Period is 2-1/2 months long (through March 15th of the following year).

What this means for you is that you have until March 15th of the next plan year to incur claims against your previous year's FSA funds. An easy way to think about this program modification is that every 12 month plan year is actually 14-1/2 months long.

Only those who have FSA coverage through December 31st of the previous plan year can continue to incur claims in the grace period.

All FSA claims for services provided during the grace period will automatically be processed against the previous year's plan year first if filed by the deadline for that plan year, unless you request otherwise. If your claim exceeds the available funds from the previous plan year, any excess will automatically be applied to the new plan year. Your PayFlex Card will recognize any remaining balance from the prior year.

Important Dates

Healthcare Flexible Spending Account (HCFSAs) Parameters	IRS Deadline Dates
Deposits made in calendar year 2011 must be used for expenses incurred:	Jan 1, 2011 - March 15, 2012
For claims incurred in calendar year 2011, claims substantiation must be submitted to PayFlex by this date to avoid forfeiture of unused contributions:	April 30, 2012

ORTHODONTIA REIMBURSEMENT

The IRS recognizes that orthodontia treatment is different from any other type of healthcare expense. Therefore, reimbursement of orthodontia can be handled in these ways:

- **Coupon Payment Option** - You can submit an itemized statement of your orthodontia expenses as the service is provided.
- **Monthly Payment Option** - You can obtain a contract agreement from the orthodontist showing the patient name, the date the service begins and the length of service, charges for the initial banding work and the dollar amount charged each month. Submit your contract with your first claim and we will automatically reimburse you each month, according to the contract, eliminating the need to submit a claim every month. You will need to send a new claim form with your contract agreement at the beginning of the next plan year if you wish to continue reimbursements.
- **Total Payment Option** - If you paid the entire amount of the treatment when the services began, submit your claim with a copy of your paid receipt and an itemized statement showing the provider name, patient name, date treatment started, dollar amount and amount your insurance will pay. Under this option, you can only file for this expense once.

ELIGIBLE HEALTH CARE FSA EXPENSES

Eligible expenses include but are not limited to the following list: (for full listing visit HealthHub.com)

- Deductibles and copayments for the medical, dental, prescriptions and vision plan
- Orthodontia or other non cosmetic dental expenses beyond the maximum amount reimbursed by the dental plan
- Eyeglasses and contact lenses not covered by the VSP or other vision plan
- Medical supplies, crutches and wheelchairs
- Smoking cessation programs and prescription drugs to alleviate nicotine withdrawal
- Fees for psychological services
- Dentures

INELIGIBLE HEALTH CARE FSA EXPENSES



Effective 1/1/11: OVER THE COUNTER DRUGS / MEDICATIONS (unless prescribed by a physician) WILL NO LONGER CONSTITUTE AN ELIGIBLE EXPENSE PER IRS GUIDELINES.

Products that are merely beneficial to your health, such as vitamins, dietary supplements, cosmetic treatments, teeth bleaching and over the counter medications and supplies are considered ineligible. For a full listing, visit HealthHub.com.

Benefits of Using the PayFlex Card for Payment of HCFA Expenditures

- Immediate payment of your expenses from your healthcare account
- Increases your personal cash flow
- No claim filing due to point of sale approval (unless claim substantiation is needed)
- Ease of use of your pre-tax contributions



HOW DOES THE NEW PAYFLEX CARD WORK?

As you incur eligible healthcare expenses, you simply present your card for payment. The PayFlex system will then validate that you have funds available to cover the transaction and automatically deduct the amount from your HealthHub account.

You can use the card for online purchases as well. Through HealthHub's consumer center, you can buy items such as glasses, contacts, prescription drugs, durable medical equipment using your PayFlex Card. If an item is NOT identified as "FSA eligible" you will need another form of payment other than your PayFlex Card.

- Card is mailed to your home address in a plain white envelope
- Activate the card
- Select 'credit' when making a purchase
- Save receipts and Explanation of Benefits (EOBs) for documentation of eligible services



■ Respond promptly to Request for Documentation Letters or the card will be inactivated

- Keep your card year after year (good for up to 5 years)
- Lost or stolen cards: 1-800-284-4885
- QUESTIONS: 1-800-284-4885
 - Monday - Friday 7a - 7p
 - Saturday 9a - 2p

SUBSTANTIATION AND REQUEST FOR DOCUMENTATION LETTERS

If you receive a Request for Documentation letter, you are required, as regulated by the IRS, to provide documentation to verify that the card was used to purchase an eligible item or service.

If you do not respond within 60 days of request, your card WILL BE DEACTIVATED until you provide the requested documentation or payment.

Three options to respond:

1. Submit an itemized receipt OR Explanation of Benefits (EOB) for the transaction(s) listed;
2. Submit an itemized receipt OR EOB for another eligible item incurred during the plan year that has not already be reimbursed; or
3. Send a personal check or money order for the identified expense if you are unable to provide documentation.

**NEW
CARRIER**
Prudential

LIFE INSURANCE BENEFITS WITH PRUDENTIAL

LIFE INSURANCE AND ACCIDENTAL DEATH AND DISMEMBERMENT (AD&D) INSURANCE

Under the TCH Select Plan, Texas Children's offers life and accident insurance to provide financial assistance at a time when you or your family may need it most.

BASIC LIFE AND BASIC ACCIDENTAL DEATH & DISMEMBERMENT

Texas Children's automatically provides full-time and part-time employees with basic life and accidental death and dismemberment (AD&D) coverage at 1 X your annual base salary, rounded to the next \$1,000 up to a million maximum — at no cost to you.

OPTIONAL LIFE INSURANCE

You may elect to participate in the Optional Life Insurance Plan to provide your beneficiary(ies) additional financial security in the event of your death.

NEW

- Full-time employees may purchase coverage equal to 1 to 4 times your base annual salary, rounded to the next \$1,000, up to a combined (Basic and Optional Life) maximum of \$2,000,000.
- Part-time employees may purchase coverage equal to 1 times your base annual salary, rounded to the next \$1,000, up to a maximum of \$1,000,000.

Evidence of Insurability (EOI) must be provided for amounts over \$500,000.

The annual base salary is calculated using your hourly rate x 2,080 x your election, then rounded to the nearest thousand.

Example: \$20/hour X 2080 = \$41,600 (rounded up to the next higher thousand) = \$42,000 of Optional Life Insurance Coverage

OPTIONAL ACCIDENTAL DEATH & DISMEMBERMENT

You may also purchase Optional AD&D insurance coverage to provide your beneficiary(ies) additional financial security in the event of an accidental death or serious injury from an accident as defined by the plan.

- Full-time employees may purchase coverage equal to 1 to 4 times your base annual salary, rounded to the next \$1,000, up to a combined (Basic and Optional AD&D) maximum of \$2,000,000.
- Part-time employees may purchase coverage equal to 1 times your base annual salary, rounded to the next \$1,000, up to a combined (Basic and Optional AD&D) maximum of \$1,000,000.

The annual base salary is calculated using your hourly rate x 2,080 x your election, then rounded to the nearest thousand.

Example: \$20/hour X 2080 = \$41,600 (rounded up to the next thousand) = \$42,000 of AD&D Insurance Coverage

AGE 65 GUIDELINES

At age 65, your Basic Life insurance and Basic AD&D amount will be reduced according to the schedule below:

AGE	REDUCED TO
65	65%
70	50%
75	30%

Example: Employee age 70 making \$50,000. Basic Life and AD&D = \$25,000.

ACCELERATED DEATH BENEFIT (EMPLOYEE ONLY)

If you become terminally ill with less than a six-month life expectancy, you may be eligible for an accelerated death benefit. This benefit is equal to 90% of your Basic and Optional Life Insurance in-force or \$500,000, whichever is less.

SPOUSE LIFE INSURANCE

Under the TCH Select Plan, if you are a full-time employee, you may elect Spouse Life Insurance provided you have enrolled in the Optional Life Insurance plan. You may cover your spouse at one of the coverage levels up to a maximum of \$100,000 (not to exceed your Optional Life amount). Part-time employees are not eligible to elect Spouse Life Insurance.



You have 31 days to enroll your spouse from the date of eligibility. During this time any amount over \$25,000 will require your spouse to provide Evidence of Insurability.

Coverage Benefit Election for Spousal Life Insurance

Up to \$25,000

- 1 x your annual base salary
- 2 x your annual base salary
- 3 x your annual base salary
- 4 x your annual base salary

Your annual base salary is calculated using your hourly rate x 2080 x your election, rounded to the next thousand up to a maximum of \$100,000.

DEPENDENT LIFE INSURANCE

Under the TCH Select Plan, if you are a full-time employee you may elect coverage for your eligible children up to age 25 in the following coverage amounts provided you (the employee) have enrolled in the Optional Life Insurance Plan:

Coverage Amounts by Age

DEPENDENTS FROM LIVE BIRTH TO AGE 25	
	\$2,500
	\$5,000
	\$10,000

EVIDENCE OF INSURABILITY

You must provide satisfactory Evidence of Insurability if:

1. Your Optional Life coverage equals \$500,000 or more, or
2. You are currently not enrolled and are electing Optional Life or
3. You are currently enrolled in 2010 and are electing to increase your 2011 Optional Life Insurance by more than one level or
4. You elect spouse coverage after the initial eligibility period, or
5. Your spouse enrolls (at any time) for more than \$25,000

LONG TERM DISABILITY (LTD)

LTD benefits are designed to protect you and your family from the financial hardship that may accompany a personal illness or injury that keeps you from working for an extended period of time. Certain pre-existing condition limitations will apply to Basic and Optional LTD.

Under The TCH Select Plan, Texas Children's provides full-time employees with Basic LTD at no cost.

If you want additional LTD coverage, you may increase your coverage to the Optional LTD plan. If you increase your coverage, your additional LTD benefits are purchased with after-tax dollars so that if you become totally disabled, no taxes will be taken out of the Optional LTD benefit payment you receive.

Your LTD benefits will be reduced by:

- Social Security benefits
- Worker's Compensation benefit
- Any benefits paid to you under any stationery plan (ex: Cash Balance Pension Plan)

LTD Benefit Plan Duration

The benefit period is based on the date in which you became disabled as shown below.

Basic LTD Plan

AGE ON DATE OF DISABILITY	MAXIMUM BENEFIT DURATION
less than 68	24 months
68, less than 69	to age 70
69 and over	12 months

Buy Up/Optional LTD Plan

AGE ON DATE OF DISABILITY	MAXIMUM BENEFIT DURATION
less than 60	to age 65
60	60 months
61	48 months
62	42 months
63	36 months
64	30 months
65	24 months
66	21 months
67	18 months
68	15 months
69 and over	12 months

Maximum Monthly Long Term Disability Benefit Payment Plan

PLAN	MONTHLY BENEFIT	MONTHLY MAXIMUM
Basic	50%	\$5,000
Optional	70%	\$10,000

Items to Remember about Long Term Disability

- You may be asked to explore disability benefits through Social Security.
- You may continue your medical, dental and vision coverage and, in some cases Health Care FSA under COBRA within 60 days of your termination date.
- You may also apply for portability or conversion of your life insurance within 31 days from your termination date. You may be eligible for a waiver of your premium.



NO-COST WILL PREPARATION SERVICE AVAILABLE TO ALL LIFE PLAN PARTICIPANTS

Texas Children’s full and part-time employees have access to this important benefit whether or not you enroll in ‘optional’ life. Estate Guidance is a program offered through Compsych that allows you the ease and simplicity of online legal document preparation (such as a will). Wills ensure that your assets will be distributed in accordance with your wishes, should something happen to you. A will also allows you to name an executor and a guardian to take care of your minor children. Every adult should draft a will and protect their family. You will also have the opportunity (for an additional fee) to create a credit shelter trust, a living will, and a health care power of attorney. To access these services go to www.estateguidance.com and enter your Company Web ID: EGP311.

Another plus, available through Prudential, is access to the AXA Travel Assistance Program, an essential service provided by AXA assistance USA, Inc. This service offers you and your dependents medical, travel, legal and financial assistance services, 24 hours a day, 365 days a year, worldwide. Participants have access to assistance services when faced with an emergency while traveling internationally or domestically when more than 100 miles away from home for up to 120 consecutive days. With one single phone call, you and your dependents (whether traveling together or separately) will have immediate access to a broad range of travel assistance services.

If you have any questions about the services or need travel assistance, please access by website: www.axa-assistance.us or call the Travel Assistance Program Hotline: 1-800-565-9320.



Long Term Care Insurance (LTC)

Texas Children’s Long Term Care Insurance Plan is a voluntary benefit program available to all actively at work full-time and part-time employees and their spouses, children, parents, and grandparents. Long term care compliments your health care plan by providing coverage benefits for extended care necessary due to chronic, disabling illnesses or injuries that Medicare and health plans are not designed to cover. Extended care may include assistance in your own home, an adult day care facility and many other types of long-term care facilities. Long Term Care insurance covers so much more than nursing home facilities for the elderly. Long-term care insurance gives us the ability to continue a life of dignity and independence without burdening our loved ones should we be diagnosed with a disabling illness or injury.

Eligible applicants will choose from a daily maximum benefit of \$100, \$200 or \$300. Premiums will be determined by the applicant’s age at the time the applicant enrolls for coverage.

Newly hired, actively at work employees or newly eligible employees (does not include eligible family members), who enroll within the 90 day period following initial eligibility, will be automatically accepted for coverage upon receipt of their application, regardless of current health status. All eligible family members, and eligible actively at work employees applying after the initial 90-day enrollment period, will have to provide proof of good health before being accepted into the plan. Your age at enrollment will determine your monthly premium rate. Premiums will be paid through payroll deduction for employee and spousal coverage. All other eligible family members will have the option of paying premiums through automatic bank withdrawal or direct billing.

JOHN HANCOCK CONTACT INFORMATION

- By phone: 1-800-724-3785
- <http://tch.jhancock.com>
 - username: tch
 - password: mybenefit

RETIREMENT AND SAVINGS PLAN BENEFITS

Texas Children's pension benefits are designed to help you build a solid financial foundation for your retirement years. When both of the plans listed below are combined with Social Security and your personal savings, the total package is intended to help you achieve your retirement goals.

Review the charts on the following pages for an outline of the benefit provisions for each of the Texas Children's retirement plans referenced below and refer to the plan documents for greater detail.

■ THE TEXAS CHILDREN'S 403B SAVINGS PLAN – ADMINISTERED THROUGH FIDELITY

Texas Children's will match up to 50% of the first 6% of your per pay period contribution. You may enroll in this plan at any time throughout the year by contacting Fidelity at 1-800-343-0860 or online at <https://www.fidelity.com/atwork>.

Monthly 1-on-1 sessions are held at the main campus to provide current participants the opportunity to evaluate the status of their 403b Savings Plan account, consider modifications and make changes as needed. Registration is required for a 30-minute consultation. Call Fidelity at 1-800-642-7131 after the 20th of the month to schedule an appointment for the following month or you may schedule online at www.fidelity.com/atwork/reservations.

■ THE TEXAS CHILDREN'S CASH BALANCE PENSION PLAN (CBPP)

Employees do not need to enroll, nor do you make contributions to this defined benefit retirement plan. Texas Children's pays the full cost of this benefit once eligibility requirements are fulfilled. (see chart on next page)

■ THE FIDELITY 529 COLLEGE SAVINGS PLAN

Through Fidelity's selection of fund strategies you have greater flexibility and more freedom to invest for your child(ren) or immediate family member's education.

Features of 529 College Savings Plan:

- Account earnings grow tax-deferred and qualified withdrawals are free from federal income tax.
- Funds may be used at any accredited public or private college in the U.S.
- Takes as little as \$25 per pay period (via direct deposit) to open an account.
- Multiple investment strategies to select from (based on age or risk preference).
- High plan limits per beneficiary, currently \$330,000 (adjusted upward regularly for inflation).
- Beneficiaries may include you, your child, grandchild, spouse, etc.
- Allows for lump-sum deposits at any time.


You contribute to the 529 account(s) you set up with Fidelity via a direct deposit through Texas Children's payroll or through automatic debit of a personal checking or savings account.

To establish a 529 college savings account or make changes to an existing account, call Fidelity directly at 1-800-544-1914 or log on to www.fidelity.com/unique to learn more.

ACCESS YOUR ANNUAL CBPP STATEMENT THROUGH MOLI

1. Click on the Total Rewards e-Statement icon
2. Click on Benefits
3. On the Benefits screen, scroll to the bottom to select the calendar year
4. Click on the words Cash Balance Pension Plan

CASH BALANCE PENSION PLAN

Plan Design	<ul style="list-style-type: none"> ■ Texas Children's Cash Balance Pension Plan is a non-contributory defined benefit retirement plan for employees. ■ There are no employee contributions made to this plan. Texas Children's pays the full cost of this benefit. ■ Employees do not need to enroll. 		
Plan Administrator	<p>Pension Committee ATTN: HR Benefits, 1919 S. Braeswood, Suite 1301, Houston, TX 77030 832-824-2421, option 1.</p>		
Eligibility	<p>You will be eligible for the Cash Balance Pension Plan after you meet the following criteria:</p> <ul style="list-style-type: none"> ■ You must be at least 21 years of age ■ You must work 1,000 or more hours during the 12 month period following your initial date of hire, or any subsequent plan year. <p>If you meet these requirements, you will automatically enter the plan on the following April 1 or October 1.</p>		
Enrollment	<ul style="list-style-type: none"> ■ You are AUTOMATICALLY enrolled once you meet all eligibility criteria. 		
Retirement Eligibility	<ul style="list-style-type: none"> ■ Normal retirement is age 65 ■ Early retirement is age 55 with 10 or more years of vested service 		
Employer Contributions	<table style="width: 100%; border: none;"> <tr> <td style="width: 60%; vertical-align: top;"> <p>Contribution If you complete at least 1000 hours of Service in a Plan Year (Oct. 1 - Sept.), Texas Children's will credit you with a contribution in the Cash Balance Pension Plan calculated as a percentage of your Plan Year base compensation. The applicable percentage is based on your full years of Vesting Service, as of the end of such Plan Year, as follows:</p> <ul style="list-style-type: none"> ■ 3%: less than 5 years ■ 4%: 5 to 9 years ■ 5%: 10 or more years </td> <td style="width: 40%; vertical-align: top;"> <p>Interest credits At the end of each Plan Year, participants will be credited with interest on such Plan Year's opening balance. Interest credits are:</p> <ul style="list-style-type: none"> ■ Based on the interest crediting rate as defined in the Plan ■ In no event for a Plan Year, be less than 3.8% or more than a "market rate of return" (within the meaning of Section 411(b)(5) of the Code and Section 204(b)(5) of ERISA). </td> </tr> </table>	<p>Contribution If you complete at least 1000 hours of Service in a Plan Year (Oct. 1 - Sept.), Texas Children's will credit you with a contribution in the Cash Balance Pension Plan calculated as a percentage of your Plan Year base compensation. The applicable percentage is based on your full years of Vesting Service, as of the end of such Plan Year, as follows:</p> <ul style="list-style-type: none"> ■ 3%: less than 5 years ■ 4%: 5 to 9 years ■ 5%: 10 or more years 	<p>Interest credits At the end of each Plan Year, participants will be credited with interest on such Plan Year's opening balance. Interest credits are:</p> <ul style="list-style-type: none"> ■ Based on the interest crediting rate as defined in the Plan ■ In no event for a Plan Year, be less than 3.8% or more than a "market rate of return" (within the meaning of Section 411(b)(5) of the Code and Section 204(b)(5) of ERISA).
<p>Contribution If you complete at least 1000 hours of Service in a Plan Year (Oct. 1 - Sept.), Texas Children's will credit you with a contribution in the Cash Balance Pension Plan calculated as a percentage of your Plan Year base compensation. The applicable percentage is based on your full years of Vesting Service, as of the end of such Plan Year, as follows:</p> <ul style="list-style-type: none"> ■ 3%: less than 5 years ■ 4%: 5 to 9 years ■ 5%: 10 or more years 	<p>Interest credits At the end of each Plan Year, participants will be credited with interest on such Plan Year's opening balance. Interest credits are:</p> <ul style="list-style-type: none"> ■ Based on the interest crediting rate as defined in the Plan ■ In no event for a Plan Year, be less than 3.8% or more than a "market rate of return" (within the meaning of Section 411(b)(5) of the Code and Section 204(b)(5) of ERISA). 		
Employee Contributions	<p>This is a non-contributory defined benefit retirement plan for employees.</p>		
Vested Year of Service	<p>Your vesting service is one year of service for each fiscal year (Oct. 1 – Sept. 30) in which you complete 1,000 or more hours of service.</p>		
Vesting Schedule	<ul style="list-style-type: none"> ■ Once you have three fiscal years of vesting service, you are 100% vested. ■ Being vested means the employer paid benefit in your account is yours upon retirement or termination of employment. 		
Statement	<div style="display: flex; align-items: center;">  <p>Once you are a member of the plan, you will be able to view your annual statement online through your Texas Children's Total Rewards e-statement in MOLI.</p> </div>		
Termination/Retirement	<p>If you leave and are 100% vested, if your CBPP account balance is:</p> <ul style="list-style-type: none"> ■ \$5,000 or less, you must take a lump sum or rollover distribution ■ \$5,000 to \$7,000, you have the following early distributions options: <ul style="list-style-type: none"> - Lump sum / Rollover - An annuity ■ \$7,000 or more, you must wait until age 65 (or age 55, if you had 10 or more years of vesting service). 		
Beneficiary Designation And Changes	<ul style="list-style-type: none"> ■ Changes are allowed at any time during the year and do not require a qualifying life event to modify. ■ Please contact the Benefits office to obtain a beneficiary-designation/change form <p>NOTE: If you are married, you must obtain spousal consent with notarization to designate anyone other than your spouse to receive your benefit. Your spouse is entitled to 100% of your retirement account upon your death, unless the spouse has provided written consent otherwise.</p>		

403B SAVINGS PLAN

- The 403(b) savings plan provides a way for you to save for retirement on a tax-deferred basis.
- This is a voluntary, defined-contribution retirement savings plan.
- Your 403(b) contribution is taken directly from your paycheck before taxes.
- You have more than 145 funds in which to invest.

Pension Committee

ATTN: HR Benefits, 1919 S. Braeswood, Suite 1301, Houston, TX 77030
832-824-2421, option 1.

Recordkeeper: Fidelity Investments

1-800-343.0860
www.fidelity.com/atwork

- You may begin participating on the first day of your employment or at any time following such date at Texas Children's.

- To enroll in the Plan, you must contact Fidelity by phone at 1-800-343.0860 or online at www.fidelity.com/atwork.

- There is no age requirement for you to begin drawing benefits; however, you must leave Texas Children's to receive these benefits.

- Texas Children's will make a contribution to your 403(b) savings plan every pay period you make a contribution.
- Texas Children's will match up to 50% of the first 6% of your per pay period contribution.
- The maximum employer contribution per pay period is the lesser of 3% of your gross salary or 50% of your contribution.

For example:

<u>Your contribution</u>	<u>Texas Children's will match</u>
4%	2%
6%	3%
10%	3%

- You may elect a percentage of your gross earnings to be deducted on a pre-tax basis each pay period.
- You do not pay any income tax on your investment in your 403(b) account until you withdraw the money.
- "Catch-up" Provision: if you are going to reach age 50 or older during the calendar year (Jan. 1 – Dec. 31) and make the maximum annual contribution, you may make an additional contribution only after the annual maximum is met.
- The maximum contribution amounts for 2011 calendar year are: \$16,500 or \$22,000 if 50 years of age or more; and subject to change as determined by the IRS.

You will earn a year of vested service for every fiscal year (Oct. 1 - Sept. 30) in which you complete 1,000 or more hours of service.

- You are always 100% vested in any contributions you make to the plan.
- You will become partially vested in the contributions made by Texas Children's according to the following schedule. If you work at least 1,000 hours per fiscal year (Oct. 1 – Sept. 30), then after:

<u>Years of service</u>	<u>You will be</u>	<u>Years of service</u>	<u>You will be</u>
Less than 1 year	0% vested	3 years, but less than 4	60% vested
1 year, but less than 2	20% vested	4 years, but less than 5	80% vested
2 years, but less than 3	40% vested	5 years	100% vested

Participants will receive quarterly statements online by accessing your personal account information through Fidelity's website at www.fidelity.com/atwork. To request paper statements call 1-800-343-0860.

At any time after you leave Texas Children's:

- You may take 100% of your voluntary contributions.
- If you are 100% vested, you may also take 100% of the match dollars contributed by Texas Children's
- If you have been employed less than five years, you may take the VESTED PORTION of the match dollars contributed by Texas Children's.
- Tax implications may apply with distributions.

- Changes are allowed at any time during the year and do not require a qualifying life event to modify.
 - Fidelity is the official record keeper of beneficiary designations.
 - Participant employees should go online to www.fidelity.com/atwork to designate or update beneficiary information.
 - Employees are encouraged to keep beneficiary information up to date, and beneficiary designations may be changed at any time during the year.
- NOTE: If you participate in the 403(b) plan and you are married, you must designate your spouse as beneficiary to 100% of your benefit. Your spouse is entitled to 100% of your retirement account upon your death, unless your spouse has provided written consent otherwise.**





COMMUTER BENEFITS

For almost a decade Texas Children's has been recognized as one of Houston's Best Workplaces for Commuters by the U.S. Environmental Protection Agency (EPA). In addition to this great accomplishment, Texas Children's was designated a Clean Air Champion by the Houston – Galveston Area Council (H-GAC).

OUTSTANDING COMMUTER BENEFITS FOR TCH-PAID EMPLOYEES

- METRO bus passes
- Vanpool vouchers
- Woodlands Express tickets
- Off campus parking
- Guaranteed Ride Home Program
- Availability of covered bike racks
- Option to waive a commuter election; (Employees in the Medical Center or Greenway Plaza who waive their commuter election option receive a monthly car pool allowance of \$20.) Each employee can hold only one election at a time.

FLEXIBILITY TO CHANGE YOUR COMMUTER ELECTION MONTH-TO-MONTH

Employees may access the Transportation Change Form online or stop by an HR location to complete or turn in a form. The new election will become effective the first day of the following month.

Options To Submit a Transportation Change Request Form to HR:

- HR Service Center - Abercrombie Building, 1st floor, Suite A-130
- Meyer Building – Benefits, 3rd floor
- Fax to HR Benefits: 832-825-2829

Please read and review specific details of all your TCH commuters benefits as outlined on CONNECT and then call the Total Rewards Main Line at 832-824-2421, (options 1 for Benefits) should you have questions. Once a TMC parking card has been issued, please contact Texas Medical Center (TMC) Customer Service line at 713-791-6161 with card-related issues.



EMPLOYEE HEALTH AND WELLNESS

Texas Children's is committed to providing a variety of wellness options to support optimum health, through healthy choices.

'WELLNESS IN THE WORKPLACE' INITIATIVES FOR EMPLOYEES

- Hand Hygiene Initiative (Hy5)
- Immunizations (Flu shots / TB skin tests through Employee Health)
- Preventive Care Benefits through BlueCross BlueShield
- Health and Wellness Fairs for Employees (with no-cost Employee Health Screenings for medical plan members)
- Disease Management through Focused Health Solutions
- On-site Mobile Mammography Offerings
- Fitness Club - Membership Discounts

INTERNAL EMPLOYEE ASSISTANCE PROGRAM (EAP) PROVIDES VALUABLE SUPPORT

Texas Children's values you, both as an individual and as an employee. The demands of our work and personal lives can sometimes conflict with each other making it difficult to feel successful at either one. The EAP can help you manage life's challenges.

The onsite trainings and educational opportunities listed below provide individuals, departments and leaders with ongoing access to support to better manage situations and circumstances that can cause disruption.

- Work & Personal Stress
- Communication & Anger
- Mental Health Issues
- Personal & Family Addictions
- Legal & Financial Issues
- Family & Marital Issues
- Caregiver Stress
- Work-Related Issues
- Grief & Loss

The EAP covers full and part-time employees and eligible dependents, including your spouse and children under the age of 19 who depend on you for support (unmarried children between the ages of 19 and 26).

EAP services are free and confidential. If it's a concern to you, the EAP can help. To contact or to schedule an appointment with a member of the EAP team, call 832-824-EEAP (3327) or email EAP@texaschildrens.org.



BALANCING WORK, HOME AND FAMILY

TIME-OFF BENEFITS

A generous Paid Time-Off (PTO) Program provides eligible full and part-time employees with time off from work for personal or family needs and rewards employees for coming to work and for scheduling time off in advance.

Additionally, after 2 days off work for illness or injury, eligible employees may then access their accrued Extended Illness Bank (EIB) which also provides a source of earned hours with pay.

Payout of PTO balances occur when:

- you terminate employment, or
- your classification changes to a per diem status

Refer to HR Policy #HR201 where you can also view your PTO Accrual Schedule (based on your Texas Children's entity and years of service).

OTHER TYPES OF TIME-OFF AND THEIR CORRESPONDING HR POLICIES

- Catastrophic Time Off (CTO) - #HR202
- Holidays / MY Day - #HR203
- Bereavement - #HR204
- Military - #HR205
- Jury Duty - #HR206
- Time Off to Vote - #HR207
- Other Leaves of Absence - #HR208
- Family Medical Leave (FML) - #HR214

PTO SELL PROGRAM - #HR201

While employees are not discouraged from taking earned time off, employees with at least 120 hours of accrued PTO may elect to sell a block of hours back to Texas Children's and be paid for the value of those hours. A total of 80 hours may be sold at one time or 40 hours of PTO may be sold twice per calendar year provided the eligibility requirement is met. Process and submit your request online, at any time, through your Total Rewards e-statement.

EVERYONE'S A RECRUITER NOW -- E.A.R.N. PROGRAM

This referral reward program offers potential dollars to eligible employees for qualified applicants who are hired and begin employment. Certain requirements apply. For questions, call HR Recruitment at 832-824-2020.

PERSONAL AND FAMILY FOCUSED INITIATIVES

ADOPTION ASSISTANCE PROGRAM

Texas Children's adoption assistance benefit provides reimbursement of eligible adoption expenses to full and part-time employees who meet the following criteria:

- have completed three months of 'continuous' service, and
- the adopted child is not your biological child or stepchild

REIMBURSABLE ADOPTION EXPENSES

Up to \$3,000 may be reimbursed once the adoption is final and for only expenses incurred after you become eligible for adoption benefits.

Some eligible expenses include:

- Legal Fees and Court Costs
- Placement Fees
- Travel expenses incurred (for one of the adopting parents or a guardian) to escort the child

A written request for reimbursement must be submitted to HR Benefits while you remain an active, eligible Texas Children's employee.

BERTNER CAFETERIA DISCOUNT ST. LUKE'S HOSPITAL - ABERCROMBIE BASEMENT

Employees receive a discount on food purchases by presenting a TCH badge at time of purchase.

TICKET & EVENT DISCOUNTS

Employees can enjoy savings on such things as movie tickets, seasonal events, cell phone memberships and more. New or enhanced discounts are communicated through the monthly online HR Dialogue! or Dialogue NewsFlash as needed. All discount information (prices, codes, links and more) is detailed under the Employee Discount Directory via the Connect HR webpage. Simply go to an HR location (Abercrombie 7a-4p or Meyer 7:30a-4:30p) to complete a payroll deduction form. NOTE: TCPA and Health Center employees should fax forms to HR at 832-825-2829 by noon of each Wednesday.

SERVICE RECOGNITION AND EMPLOYEE CELEBRATIONS

Texas Children's values people and their contributions, dedication and commitment to our patients, and to one another.

Below are several of the employee programs that have been implemented to convey thanks and gratitude to staff.

- New Employee Receptions (sponsored by Recruitment)
- Service Pins based on employment service: 1, 5, 10, 15, 20, 25, 30 years, etc. (Benefits)
- Super Star and Service with HEART: personal recognition of TCH employees who exemplify exceptional customer service & work ethic (administered through HR and Service Ambassadors)
- 25+ Platinum Club - Employees with 25 or more years of Texas Children's employment service (Benefits)
- Stress Bust events & more (sponsored by HR & Service Ambassadors)
- Employee Recognition Celebration (ERC), an annual event organized by HR Total Rewards (Benefits)

TEAM SPORTS SUBSIDY

For Employees Fitness and Fun!

For employees who wish to play a league sponsored sport and start up their own Texas Children's Team, registration fees (up to \$600 per fiscal year) can be paid to the league provided at least half of the players on the team are active, benefits eligible employees. What better way to get to know your co-workers, enjoy some friendly competition and show team spirit? Application & Waiver (consent) forms can be found on the HR webpage of CONNECT.



BRIGHT HORIZONS BACK-UP CARE ADVANTAGE® PROGRAM

This subsidized benefit can be utilized by employees when regular child or family care needs and arrangements are disrupted. Examples might include:

- Primary care-giver is on vacation, becomes ill or experiences a family emergency
- School vacation days
- Infant transition as a parent returns to work
- Travel or relocation to a city where you do not yet know anyone

Well Established and Safety-Focused

This national provider network requires background checks and CPR training for staff members.

- 3,000+ Center-based Child Care Centers: Available close to work or close to home
- 2,000+ In-Home Care and Nanny Agency Resources: Available care: days, nights and weekends

This pro-active employee benefit allows you to be at work when you might not otherwise be able to. The key is to pre-register for the Back-up Care Advantage® Program and be ready for those unexpected surprises. Note: Care extends to loved ones who do not live in your home.

TCH employees have 80 hours available per calendar year. Hours beyond the allotted 80 will be subject to availability and the employee will be responsible for the full cost.

Employee Cost for Center-Based Care:

\$2 co-pay / per hour / per child

Employee Cost for In-home Nanny Services:

\$4 co-pay / per hour / per child or family member (infant to elderly)

Your Credit Card number may be requested to hold your reservation; however, payment will occur via Payroll Deduction and will be reflected on your paycheck approximately 30-60 days after care services.

Reservations made, must be cancelled timely to avoid being charged for unused services.

Review details about all of the resources available on the Bright Horizons website, including 'Growing Lifelong Readers', employee webinars, and their 'Win-Win Referral Program'.

Pre-register, Learn More or to Schedule Care:

- By phone: 1-877-242-2737

■ www.backup.brighthorizons.com

User Name: TexasChildrens Password: backup 1



EMPLOYEE EDUCATION AND DEVELOPMENT OPPORTUNITIES

Employees seeking pathways to enhance their career goals through education can tap into various avenues of support.

THE LEARNING ACADEMY OFFERS INTERNAL EMPLOYEE TRAINING AND DEVELOPMENT CLASSES

For information about staff, clinical and leadership trainings, visit The Learning Academy CONNECT website or email:

learningacd@texaschildrens.org

TEXAS CHILDREN'S (COLLEGE) TUITION ASSISTANCE PROGRAM (TAP) – ADMINISTERED BY EDLINK®

Full and part-time employees can utilize this benefit to subsidize the cost of college credit courses at an accredited university and for a course of study that would be of benefit in your current role at Texas Children's. For all the details and answers needed to maximize this degree-focused employee benefit, employees should read the Frequently Asked Questions on the Connect or EdLink websites prior to registration or completing an online application.

Annual Allowable Monetary Support (Cap Limit based on Employee's TCH Status)

- \$2,500 / calendar year for full-time employees
- \$1,500 / calendar year for part-time employees

Unused annual dollars do not carry over from year to year. Covered expenses (tuition, fees and required books) will be counted toward the annual cap limit based in the year in which the course BEGINS.

Expenses Not Covered Include:

Continuing education units (CEU's), certifications (prep, testing or renewals), deferred payment fees, evaluation (prior learning assessment), finance charges, GMAT, GRE, SAT, late fees, parking fees, graduation fees and alumni fees. Note: TAP payments (including those previously approved with an LOC will be reduced by the amount of other financial assistance received. (Ex: an awarded Pell Grant)

Online Enrollment Steps For Success!

Step 1: Complete an online Tuition Application. (1-3 courses with similar start and end dates on the same application)

- Tuition PRE-PAY Application (submit 3-5 weeks prior to course start-date)
- Tuition REIMBURSEMENT Application (submit after payment for courses, yet within 6-weeks from course end-date)

Step 2: Upon approval of your Tuition Application, click onto the application number for which you wish to submit a Book Reimbursement Request. Always submit a copy of your course syllabus along with your book store receipts to EdLink.

Important TAP Tips

- Submit proof of course completion (grades) to EdLink WITHIN 6 weeks of course end date to remain eligible.
- Notify EdLink immediately at **TCH@edlinktuition.com** if you change or drop a class since the program allows payment for each course only once.

Process and Contact Information

- To complete an application: <http://tamsonline.org/TCH>
- To email a question / inquiry: **TCH@edlinktuition.com**
- To fax required documentation (receipts, course syllabus and grades): 1-866-284-0859
- To speak with a Customer Service Representative: 1-888-797-2235

ONLINE CLINICAL PROGRAM... U.T. ARLINGTON IS ONE OPTION (Partnership Code: AP1016)

For more details (dates, prices, links, etc.) related to this RN to BSN fast-track option, employees may:

1. visit www.stateu.com/uta
2. call StateU directly at 1-866-489-2810, or
3. call Texas Children's Clinical Training & Development at 832-824-2460.

Participants of this program may also utilize the Texas Children's Tuition Assistance Program; however, UTA students will need to fax LOC's to StateU at: 1-877-647-8560.



BENEFIT ELECTION CHANGES

It's important to make enrollment choices carefully because they will remain in effect until December 31st of that plan year. The Internal Revenue Service imposes strict limitations on when coverage can be elected or changed because your benefit contributions are pre-tax for some plan options. **You can make limited changes at times other than open enrollment only as a result of a significant change in family or job status.**

SUCH EVENTS (CALLED FAMILY STATUS CHANGES) INCLUDE, BUT ARE NOT LIMITED TO:

- Marriage, divorce, legal separation, or annulment
- Death
- Birth, adoption, or placement for adoption of a child
- Child becomes or ceases to be an eligible dependent
- Change in your spouse's employment and/ or other insurance coverage that causes you and/or your dependents to lose or gain coverage
- You and/or your dependent no longer reside or work in an EPO's service area and do not have access to other benefit options
- Entitlement or loss of Medicare eligibility
- Changing from an ineligible status to an eligible status, e.g. per diem to part-time or full-time status
- Changing from an eligible to an ineligible status, e.g., part-time or full-time status to a per diem status
- Changing from part-time status to full-time status
- Changing from full-time status to part-time status
- Court order that requires you to cover a dependent
- Significant change in cost of benefit coverage
- Commencement or return from leave under FMLA or an unpaid leave that affects eligibility for coverage.
- Change in Medicaid Children's Health Insurance Program (CHIP).

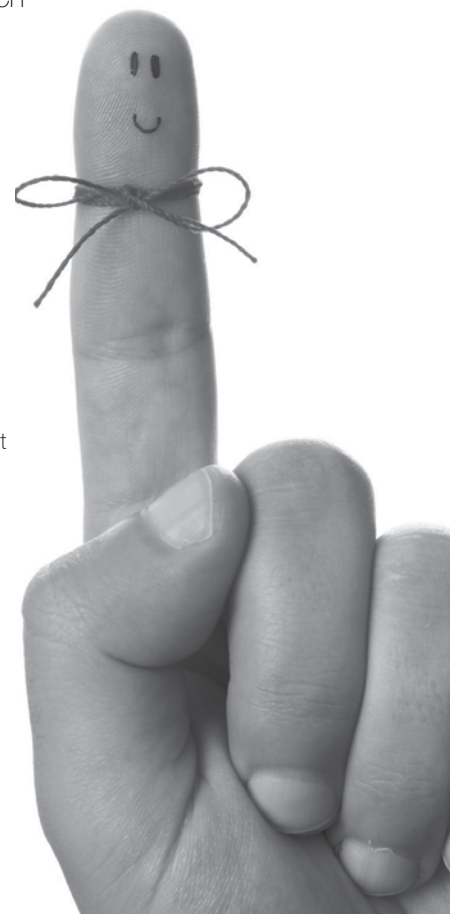
RULE TO ADD DEPENDENTS

Any change in family status, which results in adding/deleting coverage for yourself or a dependent must be submitted to the Benefits Department within 31 days from the date of the qualifying event; even if you currently have Employee + Children or Employee + Family coverage and you are adding coverage for another child (including adding coverage for a newborn). The TCH Benefit Enrollment/Change Form is located on Connect/HR/Benefits/Benefit Forms.

The effective date of your benefit change will be the effective date of the qualified change in family status. Even if you have not received all supporting documentation (ex. official birth certificate) until after the 31 or 60 day election period, you will still need to submit your Benefit Change Form within the 31 or 60 day deadline and later forward the supporting documentation upon receipt. Due to IRS regulations regarding changes to pre-tax plans, HR will be unable to process your change until the supporting documentation is received.

LOSS OF COVERAGE DUE TO MEDICARE OR CHIP PROGRAM

An employee whose dependent loses insurance coverage under the Medicare or CHIP program as a result of loss of eligibility may enroll the dependent in Texas Children's medical, dental or vision plans within 60 days from the date coverage was lost. **You must submit a Benefit Change Form to the Benefits Department within 60 days of losing coverage.**



MEDICAID AND THE CHILDREN'S HEALTH INSURANCE PROGRAM (CHIP) OFFER FREE OR LOW-COST HEALTH COVERAGE TO CHILDREN AND FAMILIES

If you are eligible for health coverage from your employer, 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 and you live in a State listed below, you can contact your State Medicaid or CHIP 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 you or any of your dependents might be eligible for either of these programs, you can contact your State Medicaid or CHIP 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.

Once it is determined that you or your dependents are eligible for premium assistance under Medicaid or CHIP, your employer's 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 the employer's 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 live in one of the following states, you may be eligible for assistance paying your employer health plan premiums. The following list of states is current as of April 16, 2010. You should contact your state for further information on eligibility.

ALABAMA – Medicaid

Website: <http://www.medicaid.alabama.gov>
Phone: 1-800-362-1504

ALASKA – Medicaid

Website: <http://health.hss.state.ak.us/dpa/programs/medicaid/>
Phone (Outside of Anchorage): 1-888-318-8890
Phone (Anchorage): 907-269-6529

ARIZONA – CHIP

Website: <http://www.azahcccs.gov/applicants/default.aspx>
Phone: 1-877-764-5437

ARKANSAS – CHIP

Website: <http://www.arkidsfirst.com/>
Phone: 1-888-474-8275

CALIFORNIA – Medicaid

Website: http://www.dhcs.ca.gov/services/Pages/TPLRD_CAU_cont.aspx
Phone: 1-866-298-8443

COLORADO – Medicaid and CHIP

Medicaid Website: <http://www.colorado.gov/>
Medicaid Phone: 1-800-866-3513
CHIP Website: <http://www.CHIPplus.org>
CHIP Phone: 303-866-3243

FLORIDA – Medicaid

Website: <http://www.fdhc.state.fl.us/Medicaid/index.shtml>
Phone: 1-866-762-2237

GEORGIA – Medicaid

Website: <http://dch.georgia.gov/>
Click on Programs, then Medicaid
Phone: 1-800-869-1150

IDAHO – Medicaid and CHIP

Medicaid Website: www.accesstohealthinsurance.idaho.gov
Medicaid Phone: 1-800-926-2588
CHIP Website: www.medicaid.idaho.gov
CHIP Phone: 1-800-926-2588

INDIANA – Medicaid

Website: <http://www.in.gov/fssa/2408.htm>
Phone: 1-877-438-4479

IOWA – Medicaid

Website: www.dhs.state.ia.us/hipp/
Phone: 1-888-346-9562

KANSAS – Medicaid

Website: <https://www.khpa.ks.gov>
Phone: 800-766-9012

KENTUCKY – Medicaid

Website: <http://chfs.ky.gov/dms/default.htm>
Phone: 1-800-635-2570

LOUISIANA – Medicaid

Website: <http://www.la.hipp.dhh.louisiana.gov>
Phone: 1-888-342-6207

MAINE – Medicaid

Website: <http://www.maine.gov/dhhs/oms/>
Phone: 1-800-321-5557

MASSACHUSETTS – Medicaid and CHIP

Medicaid & CHIP Website: <http://www.mass.gov/MassHealth>
Medicaid & CHIP Phone: 1-800-462-1120

MINNESOTA – Medicaid

Website: <http://www.dhs.state.mn.us/>
 Click on Health Care, then Medical Assistance
 Phone: 800-657-3739

MISSOURI – Medicaid

Website: <http://www.dss.mo.gov/mhd/index.htm>
 Phone: 573-751-6944

MONTANA – Medicaid

Website: <http://medicaidprovider.hhs.mt.gov/clientpages/clientindex.shtml>
 Telephone: 1-800-694-3084

NEBRASKA – Medicaid

Website: <http://www.dhhs.ne.gov/med/medindex.htm>
 Phone: 1-877-255-3092

NEVADA – Medicaid and CHIP

Medicaid Website: <http://dwss.nv.gov/>
 Medicaid Phone: 1-800-992-0900
 CHIP Website: <http://www.nevadacheckup.nv.org/>
 CHIP Phone: 1-877-543-7669

NEW HAMPSHIRE – Medicaid

Website: <http://www.dhhs.state.nh.us/DHHS/MEDICAIDPROGRAM/default.htm>
 Phone: 1-800-852-3345 x 5254

NEW JERSEY – Medicaid and CHIP

Medicaid Website: <http://www.state.nj.us/humanservices/dmahs/clients/medicaid/>
 Medicaid Phone: 1-800-356-1561
 CHIP Website: <http://www.njfamilycare.org/index.html>
 CHIP Phone: 1-800-701-0710

NEW MEXICO – Medicaid and CHIP

Medicaid Website: <http://www.hsd.state.nm.us/mad/index.html>
 Medicaid Phone: 1-888-997-2583
 CHIP Website: <http://www.hsd.state.nm.us/mad/index.html>
 Click on Insure New Mexico
 CHIP Phone: 1-888-997-2583

NEW YORK – Medicaid

Website: http://www.nyhealth.gov/health_care/medicaid/
 Phone: 1-800-541-2831

NORTH CAROLINA – Medicaid

Website: <http://www.nc.gov>
 Phone: 919-855-4100

NORTH DAKOTA – Medicaid

Website: <http://www.nd.gov/dhs/services/medicalsev/medicaid/>
 Phone: 1-800-755-2604

OKLAHOMA – Medicaid

Website: <http://www.insureoklahoma.org>
 Phone: 1-888-365-3742

OREGON – Medicaid and CHIP

Medicaid & CHIP Website: <http://www.oregonhealthykids.gov>
 Medicaid & CHIP Phone: 1-877-314-5678

PENNSYLVANIA – Medicaid

Website: <http://www.dpw.state.pa.us/partnersproviders/medicalassistance/doingbusiness/003670053.htm>
 Phone: 1-800-644-7730

RHODE ISLAND – Medicaid

Website: www.dhs.ri.gov
 Phone: 401-462-5300

SOUTH CAROLINA – Medicaid

Website: <http://www.scdhhs.gov>
 Phone: 1-888-549-0820

TEXAS – Medicaid

Website: <https://www.gethipptexas.com/>
 Phone: 1-800-440-0493

UTAH – Medicaid

Website: <http://health.utah.gov/medicaid/>
 Phone: 1-866-435-7414

VERMONT – Medicaid

Website: <http://ovha.vermont.gov/>
 Telephone: 1-800-250-8427

VIRGINIA – Medicaid and CHIP

Medicaid Website: <http://www.dmas.virginia.gov/rcp-HIPP.htm>
 Medicaid Phone: 1-800-432-5924
 CHIP Website: <http://www.famis.org/>
 CHIP Phone: 1-866-873-2647

WASHINGTON – Medicaid

Website: <http://hrsa.dshs.wa.gov/premiumpymt/Apply.shtml>
 Phone: 1-877-543-7669

WEST VIRGINIA – Medicaid

Website: <http://www.wvrecovery.com/hipp.htm>
 Phone: 304-342-1604

WISCONSIN – Medicaid

Website: <http://dhs.wisconsin.gov/medicaid/publications/p-10095.htm>
 Phone: 1-800-362-3002

WYOMING – Medicaid

Website: <http://www.health.wyo.gov/healthcarefin/index.html>
 Telephone: 307-777-7531

To see if any more states have added a premium assistance program since April 16, 2010, or for more information on special enrollment rights, you can contact either:

U.S. Department of Labor
 Employee Benefits Security Administration
www.dol.gov/ebsa
 1-866-444-EBSA (3272)

U.S. Department of Health and Human Services
 Centers for Medicare & Medicaid Services
www.cms.hhs.gov
 1-877-267-2323, Ext. 61565

SPECIAL ENROLLMENT RIGHTS NOTICE

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 and your dependents in this plan if you or your dependents lose eligibility for that other coverage (or if the employer stops contributing toward your or your dependents' other coverage).

However, you must request enrollment within 31 days after your or your dependents' other coverage ends (or after the employer stops contributing toward the other coverage). In addition, 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 eligible dependents; however, you must request enrollment within 31 days after the marriage, birth, adoption, or placement for adoption.

ALLOWABLE CHANGES

Medical, Dental

You may change your coverage level, but not your plan option (e.g., you can change from the PPO plan Employee Only to the PPO plan Employee and Family, but not to the EPO plan).

LTD, Life and AD&D

You may increase or decrease your coverage level election.

- Changing from part-time to full-time, you gain LTD Basic Plan Benefit and the option to purchase the LTD buy-up Plan. For Optional life insurance and AD&D you are eligible to purchase up to 4 X your annual base salary subject to plan provisions.
- Changing from full-time to part-time, your optional life insurance and AD&D reduces to 1 X your annual base salary.

Health Care FSA

You may change your elections to the Health Care and Dependent Care FSAs if you experience a change in family or job status; however, in the event of a deficit balance in an FSA, you may not stop or decrease your FSA contribution. If you resign your employment and then return to Texas Children's in the same calendar year, or if you change from an eligible status to an ineligible status and back again, you will retain the options that you had previously (unless you incur a Family Status change).

Dependent Care FSA

You cannot stop, increase or decrease your contribution until the next annual enrollment period unless you have a Family Status or Job Status Change as stated previously in this guide. If you resign your employment and then return to Texas Children's in the same calendar year, or if you change from an eligible status to an ineligible status and back again, you will retain the options that you had previously unless you have a Family Status Change.

Enrollment Change Form Checklist

Benefit elections or changes that are not made when you are first eligible or during open enrollment must be submitted on a Benefits Change Form. This form and all other benefit forms are located online on the Texas Children's Connect website: HumanResources/Benefits/Benefit Forms. You may also obtain forms from your HR Benefits department in the Service Center/Abercrombie A-130 or at the Meyer Building 3rd floor benefits desk.

- If you are enrolling a new dependent, additional documentation is required such as, marriage license, birth certificate/birth facts, adoption papers, court documents
- Dependents social security numbers
- If you have not received your documentation in a timely manner, you will still need to submit your Benefits Change Form within the deadline and forward the supporting documentation once it is received. Due to IRS regulations regarding changes to pre-tax plans, we will not be able to process your change until the supporting documentation is received.
- Remember, 31 days to add a dependent or 60 days to drop a dependent

Termination or Change of Status

Your coverage for yourself and your dependents will end on the last day of the pay period containing the last day worked or your transfer date to an ineligible status for benefits or the day a dependent becomes ineligible for coverage. However, under certain circumstances, you and/or your dependents may be eligible to continue medical, dental, EAP, and vision, and Health Care FSA participation through COBRA.

CONTINUATION COVERAGE RIGHTS UNDER COBRA

Under federal law, Texas Children's is required to offer covered employees and covered family members the opportunity for a temporary extension of health coverage (called "Continuation Coverage") at group rates when coverage under the health plan would otherwise end due to certain qualifying events. This notice is intended to inform all plan participants, in a summary fashion, of your potential future options and obligations under the continuation coverage provisions of federal law. Should an actual qualifying event occur in the future, the plan administrator will send you additional information and the appropriate election notice at that time.

WHAT IS COBRA COVERAGE?

Consolidated Omnibus Budget Reconciliation Act (COBRA) coverage is a continuation of Plan coverage when coverage would otherwise end because of a life event known as a "qualifying event." Specific qualifying events are listed later in this notice. After a qualifying event occurs and any required notice of that event is properly provided to Texas Children's, COBRA coverage must be offered to each person losing Plan coverage who is a "qualified beneficiary." You, your spouse, and your dependent children could become qualified beneficiaries and would be entitled to elect COBRA if coverage under the Plan is lost because of the qualifying event. (Certain newborns, newly adopted children, and alternate recipients under Qualified Medical Support Orders may also be qualified beneficiaries. This is discussed in more detail in separate paragraphs below.) Under the Plan, qualified beneficiaries who elect COBRA must pay for COBRA coverage.

WHO IS ENTITLED TO ELECT COBRA?

If you are an employee, you will be entitled to elect COBRA if you lose your group health coverage under the Plan because either one of the following qualifying events happens:

- Your hours of employment are reduced, or
- Your employment ends for any reason, other than for gross misconduct (on your part).

If you are the spouse of an employee, you will be entitled to elect COBRA if you lose your group health coverage under the Plan because any of the following qualifying events happens:

- Your spouse dies;
- Your spouse's hours of employment are reduced;
- Your spouse's employment ends for any reason other than his or her gross misconduct;
- You become divorced or legally separated from your spouse. Also, if your spouse (the employee) reduces or eliminates your group health coverage in anticipation of a divorce or legal separation, and a divorce or legal separation later occurs, then the divorce or legal separation may be considered a qualifying event for you even though your coverage was reduced or eliminated before the divorce or separation.

A person enrolled as the employee's dependent child will be entitled to elect COBRA if he or she loses group health coverage under the Plan because any of the following qualifying events happens:

- The parent-employee dies;
- The parent-employee's hours of employment are reduced;
- The parent-employee's employment ends for any reason other than his or her gross misconduct;
- The parents become divorced or legally separated; or
- The child stops being eligible for coverage under the Plan as a "dependent child."

WHEN IS COBRA COVERAGE AVAILABLE?

When the qualifying event is the end of employment or reduction of hours of employment or death of the employee, the Plan will offer COBRA coverage to qualified beneficiaries.

YOU MUST GIVE NOTICE OF SOME QUALIFYING EVENTS

For other qualifying events (divorce or legal separation of the employee and spouse or a dependent child's losing eligibility for coverage as a dependent child), a COBRA election will be available to you only if you notify Texas Children's in writing within 60 days after the later of: (1) the date of the qualifying event; and (2) the date on which the qualified beneficiary loses (or would lose) coverage under the terms of the Plan as a result of the qualifying event. In providing this notice, you must use the Plan's form entitled "Changes in Coverage" from Texas Children's Benefits Department. If the form is not provided to Texas Children's Benefits Department during the 60-day notice period, then all qualified beneficiaries will lose their right to elect COBRA. Oral notice, including notice by telephone, is not acceptable.

IMPORTANT: No exceptions can be made.

ELECTING COBRA

Each qualified beneficiary will have an independent right to elect COBRA. Covered employees and spouses (if the spouse is a qualified beneficiary) may elect COBRA on behalf of all of the qualified beneficiaries, and parents may elect COBRA on behalf of their children. **Any qualified beneficiary for whom COBRA is not elected within the 60-day election period specified in the Plan's COBRA election notice will lose his or her right to elect COBRA.**

HOW LONG DOES COBRA COVERAGE LAST?

COBRA coverage is a temporary continuation of coverage. When the qualifying event is the death of the employee, the covered employee's divorce or legal separation, or a dependent child's losing eligibility as a dependent child, COBRA coverage under the Plan's Medical, Dental and Vision components can last for up to a total of 36 months.

When the qualifying event is the end of employment or reduction of the employee's hours of employment, and the employee became entitled to Medicare benefits less than 18 months before the qualifying event, COBRA coverage under the Plan's Medical, Dental and Vision components for qualified beneficiaries (other than the employee) who lose coverage as a result of the qualifying event can last until up to 36 months after the date of Medicare entitlement. For example, if a covered employee becomes entitled to Medicare 8 months before the date on which his employment

terminates, COBRA coverage for his spouse and children who lost coverage as a result of his termination can last up to 36 months after the date of Medicare entitlement, which is equal to 28 months after the date of the qualifying event (36 months minus 8 months). This COBRA coverage period is available only if the covered employee becomes entitled to Medicare within 18 months before the termination or reduction of hours.

Otherwise, when the qualifying event is the end of employment or reduction of the employee's hours of employment, COBRA coverage under the Plan's Medical, Dental, and Vision components generally can last for only up to a total of 18 months.

COBRA coverage under the Health Care FSA component can last only until the end of the year in which the qualifying event occurred—see the paragraph below entitled "Health Care FSA Component."

The COBRA coverage periods described above are maximum coverage periods. COBRA coverage can end before the end of the maximum coverage periods described in this notice for several reasons, which are described in the Plan's summary plan description.

There are two ways (described in the following paragraphs) in which the period of COBRA coverage resulting from a termination of employment or reduction of hours can be extended. (The period of COBRA coverage under the Health Care FSA cannot be extended under any circumstances.)

DISABILITY EXTENSION OF COBRA COVERAGE

If a qualified beneficiary is determined by the Social Security Administration to be disabled and you notify Payflex in a timely fashion, all of the qualified beneficiaries in your family may be entitled to receive up to an additional 11 months of COBRA coverage, for a total maximum of 29 months. This extension is available only for qualified beneficiaries who are receiving COBRA coverage because of a qualifying event that was the covered employee's termination of employment or reduction of hours. The disability must have started at some time before the 61st day after the covered employee's termination of employment or reduction of hours and must last at least until the end of the period of COBRA coverage that would be available without the disability extension (generally 18 months, as described above).

The disability extension is available only if you notify Payflex in writing of the Social Security Administration's determination of disability within 60 days after the latest of:

- the date of the Social Security Administration's disability determination;
- the date of the covered employee's termination of employment or reduction of hours; and
- the date on which the qualified beneficiary loses (or would lose) coverage under the terms of the Plan as a result of the covered employee's termination of employment or reduction of hours.

You must also provide this notice within 18 months after the covered employee's termination of employment or reduction of hours in order to be entitled to a disability extension. If these procedures are not followed or if the notice is not provided to Payflex during the 60-day notice period and within 18 months after the covered employee's termination of employment or reduction of hours, then there will be no disability extension of COBRA coverage.

SECOND QUALIFYING EVENT EXTENSION OF COBRA COVERAGE

If your family experiences another qualifying event while receiving COBRA coverage because of the covered employee's termination of employment or reduction of hours (including COBRA coverage during a disability extension period as described above), the spouse and dependent children receiving COBRA coverage can get up to 18 additional months of COBRA coverage, for a maximum of 36 months, if notice of the second qualifying event is properly given to the Plan. This extension may be available to the spouse and any dependent children receiving COBRA coverage if the employee or former employee dies or gets divorced or legally separated, or if the dependent child stops being eligible under the Plan as a dependent child, but only if the event would have caused the spouse or dependent child to lose coverage under the Plan had the first qualifying event not occurred. (This extension is not available under the Plan when a covered employee becomes entitled to Medicare after his or her termination of employment or reduction of hours.)

The extension due to a second qualifying event is available only if you notify PayFlex in writing of the second qualifying event within 60 days after the date of the second qualifying event. If these procedures are not followed or if the notice is not provided to PayFlex during the 60-day notice period, then there will be no extension of cobra coverage due to a second qualifying event.

For information related to COBRA Rights for FMLA and Military Leave, you may reference Policy Numbers HR214 and HR205 on the Texas Children's Connect website.

HEALTH CARE FSA COMPONENT

COBRA coverage under the Health Care FSA will be offered only to qualified beneficiaries losing coverage who have underspent accounts. A qualified beneficiary has an underspent account if the annual limit elected by the covered employee, reduced by the reimbursable claims submitted up to the time of the qualifying event, is equal to or more than the amount of the premiums for Health Care FSA COBRA coverage that will be charged for the remainder of the plan year. COBRA coverage will consist of the Health Care FSA coverage in force at the time of the qualifying event (i.e., the elected annual limit reduced by reimbursable claims submitted up to the time of the qualifying event). The use-it-or-lose-it rule will continue to apply, so any unused amounts will be forfeited at the end of the plan year, and COBRA coverage will terminate at the end of the plan year. Unless otherwise elected, all qualified beneficiaries who were covered under the Health Care FSA will be covered together for Health Care FSA COBRA coverage. However, each qualified beneficiary could alternatively elect separate COBRA coverage to cover that beneficiary only, with a separate Health Care FSA annual limit and a separate premium.

MORE INFORMATION ABOUT INDIVIDUALS WHO MAY BE QUALIFIED BENEFICIARIES

Children Born to or Placed for Adoption With the Covered Employee During COBRA Coverage Period

A child born to, adopted by, or placed for adoption with a covered employee during a period of COBRA coverage is considered to be a qualified beneficiary provided that, if the covered employee is a qualified beneficiary, the covered employee has elected COBRA coverage for himself or herself. The child's COBRA coverage begins when the child is enrolled in the Plan, whether through special enrollment or open enrollment, and it lasts for as long as COBRA coverage lasts for other family members of the employee. To be enrolled in the Plan, the child must satisfy the otherwise applicable Plan eligibility requirements (for example, regarding age).

Alternate Recipients Under QMCSOs

A child of the covered employee who is receiving benefits under the Plan pursuant to a qualified medical child support order (QMCSO) received by Texas Children's during the covered employee's period of employment with Texas Children's is entitled to the same rights to elect COBRA as an eligible dependent child of the covered employee.

IF YOU HAVE QUESTIONS

Questions concerning your Plan or your COBRA rights should be addressed to the contact or contacts identified below. For more information about your rights under ERISA, including COBRA, the Health Insurance Portability and Accountability Act (HIPAA) and other laws affecting group health plans, contact the nearest Regional or District Office of the U.S. Department of Labor's Employee Benefits Security Administration (EBSA) in your area or visit the EBSA website at www.dol.gov/ebsa. (Addresses and phone numbers of Regional and District EBSA Offices are available through EBSA's website.)

KEEP YOUR PLAN INFORMED OF ADDRESS CHANGES

In order to protect your family's rights, you should keep Texas Children's informed of any changes in the addresses of family members. You should also keep a copy, for your records, of any notices you send or deliver to Texas Children's.

PLAN CONTACT INFORMATION

You may obtain information about the Plan and COBRA coverage upon request from: Texas Children's Hospital, Human Resources, Suite 1301, 1919 S. Braeswood, Houston TX 77030, 832-824-2421, option 1. This contact information for the Plan may change from time to time. The most recent information will be included in the Plan's most recent summary plan description (if you do not have a copy, you may request one from Texas Children's).

YOUR RIGHTS

WOMEN'S HEALTH AND CANCER

The Women's Health and Cancer Rights Act of 1998 (WHCRA) requires that our plan provide the following medical and surgical benefits after mastectomies in a manner determined in consultation with the attending physician and the patient for:

- All stages of reconstruction of the breast on which the mastectomy has been performed
- Surgery and reconstruction of the other breast to produce a symmetrical appearance
- Prostheses and physical complications of all stages of mastectomies, including lymphedemas. These benefits are subject to the same deductibles and coinsurance applicable to other medical and surgical benefits provided under our plan. Please follow the plan procedures for obtaining precertification.

MENTAL HEALTH

The plan complies with the Mental Health Parity Act, which generally requires parity between mental health benefits and medical/surgical benefits. The plan applies the same annual dollar limits and aggregate lifetime limits for mental health benefits and medical/surgical benefits.

MOTHERS AND NEWBORNS

In compliance with federal law, TCH Select Plans do not: (1) restrict benefits for any hospital length of stay in connection with childbirth for the mother or newborn child to fewer than 48 hours following a normal vaginal delivery, or fewer than 96 hours following a Cesarean section, or (2) require that a provider obtain authorization from the insurance carrier for prescribing a length of stay not in excess of the above periods.

CERTIFICATE OF CREDITABLE COVERAGE

You will be provided a certificate of creditable coverage in writing, free of charge, from BlueCross BlueShield of Texas for health plan coverage:

- When you lose coverage under the health plan;
- When you become entitled to elect COBRA;
- When your COBRA coverage ends; You may request a certificate of creditable coverage by calling the toll-free number on your medical ID card. You may request a certificate of creditable coverage from another group health plan, or you may receive a reduction or elimination of exclusionary periods of coverage for preexisting conditions under your group health plan. Without evidence of creditable coverage, Plan benefits for the treatment of a pre-existing condition may be excluded for 12 months (18 months for late enrollees) after your enrollment date in your coverage.

QUALIFIED MEDICAL CHILD SUPPORT ORDER (QMCSO)

Federal law requires The TCH Select Plan, under certain circumstances, to provide health care coverage for your children when you divorce, separate, or are even never married, when ordered to do so by state authorities. The process begins when Texas Children's Hospital receives a medical child support order. This means any judgment, decree, or order, including approval of a settlement agreement, which:

- Is issued from a court of competent jurisdiction or through an administrative process established under State law and has the force and effect of an order under State law pursuant to a state's domestic relations law;
- Requires you to provide group health coverage for your children even though you no longer have custody;
- Clearly specifies the name of our plan, your name and your last known mailing address and the name and addresses of a child covered by the order. The name and mailing address of a state or local official may be substituted for the address of the child;
- A reasonable description of the coverage to be provided; and
- The period of coverage to which the order applies.

The plan administrator will provide written notification to you and each identified child for which it has received an order requiring coverage. Within a reasonable time after the receipt of the order, the plan administrator will determine whether the order is a Qualified Medical Child Support Order (QMCSO) and notify you and the child's legal representative of the determination. This notice will include any required enrollment material, a description of the procedures to be followed, and a form for designating the child's custodial parent or legal guardian as his or her representative for all benefit plan purposes. Plan benefits that have not been assigned will be used to reimburse charges for covered expenses incurred by an identified child.

If Texas Children's Hospital receives a QMCSO, it must permit immediate enrollment. This means the children identified will be included for coverage as your eligible dependent and you will pay the required premiums. The child's custodial parent, legal guardian, or a state agency can make an application for the child's coverage, even if you do not.

“MICHELLE'S LAW” (H.R. 2851)

Michelle's Law provides continued coverage under group health plans for your dependent child who is covered under the Texas Children's plan as a student but might lose their student status because they take a medically necessary leave of absence from school or begin a change in school enrollment that would otherwise result in a cancellation of coverage under our plan.

You may continue for up to 12 months from the beginning of the absence as long as your child was covered by the plan and enrolled in a college or university.

If you believe your child is eligible for this continued coverage, the child's physician must provide a written certification stating that your child is suffering from a serious illness or injury that necessitates the leave or change in enrollment status.

At the end of the 12 months of coverage under Michelle's Law, COBRA coverage will be available if your child is still too ill to attend school.

PRESCRIPTION DRUG COVERAGE AND MEDICARE OPTIONS

Please read this notice carefully and keep it where you can find it. This notice has information about your current prescription drug coverage with Texas Children's Hospital 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. Texas Children's Hospital has determined that the prescription drug coverage offered by the TCH Select Plan 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 November 15th through December 31st; 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, your current TCH Select Plan coverage will not be affected.

- You may choose to enroll in Medicare Part D in addition to the Hospital provided medical and prescription drug plan. If you select this option, Medicare's prescription drug plan will coordinate coverage by determining benefits as the secondary providers as long as you remain an active employee under the Hospital provided plan.
- You may choose not to enroll in the Medicare prescription drug plan at this time and keep your medical and prescription drug benefits under the Hospital provided plan. If this option is selected, your medical and prescription drug benefits will continue under the Hospital provided medical plan option selected.
- If you decide to join a Medicare drug plan and drop your current Texas Children's Hospital coverage, be aware that you and your dependents may not be able to get this coverage back.

When Will A Higher Premium (Penalty) Be Paid to Join a Medicare Drug Plan?

If you drop or lose your current coverage with Texas Children's Hospital 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 November to join.

For More Information:

- *About This Notice or Your Current Prescription Drug Coverage*
Contact the Benefits Total Rewards line at 832-824-2421 and press 1 for benefits. You'll get this notice each year. You will also get it before the next period you can join a Medicare drug plan, and if this coverage through Texas Children's Hospital changes. You also may request a copy of this notice at any time.
- *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. Employees are mailed a copy of the handbook every year from Medicare. You may also be contacted directly by Medicare drug plans.
- *About Medicare Prescription Drug Coverage*
 - Visit www.medicare.gov
 - For personalized help, call your State Health Insurance Assistance Program (see the inside back cover of your copy of the "Medicare & You" handbook for their telephone number)
 - Call 1-800-MEDICARE (1-800-633-4227). TTY users should call 1-877-486-2048. If you have limited income and resources, extra help paying for Medicare prescription drug coverage is available. For information about this extra help, visit Social Security on the web at www.socialsecurity.gov, or call them at 1-800-772-1213 (TTY 1-800-325-0778).

403(B) PLAN IRS REGULATIONS RELATED TO 2011 MAXIMUM CONTRIBUTION AMOUNTS

If both of the following two points apply to you, please contact HR Benefits so that they can work with you to minimize your risk of exceeding the 2011 contribution limit.

1. You currently control (own directly or indirectly) more than a 50% interest of a business, AND
2. That business provides to you a Qualified Defined Contribution Retirement Plan or a Simplified Employee Pension ("SEP") Plan for 2011

Due to certain changes in compliance procedures established by the Internal Revenue Service (the "IRS"), employees who control more than a 50% interest of a business that provides to you a qualified retirement plan or a SEP, are required by the IRS, to combine the contributions made on your behalf to our 403(b) Plan with the contributions made on your behalf to the retirement plan(s) of that business (or businesses) to determine if the retirement plan annual additions limit test is violated.

Therefore, Texas Children's is obliged to monitor the maximum amount of contributions made on your behalf to our 403(b) Plan and any other tax-qualified defined contribution plans maintained by employers in which you have an ownership interest of more than 50%.

In 2011, the current known maximum contribution is the lesser of (i) \$49,000 or (ii) 100 percent of eligible compensation. To address any questions or concerns related to this IRS regulation, please contact HR at 832.824.2421 and select option 1 for Benefits.

If there is a violation to this annual additions limit test, you will be subject to current federal income tax on the excess contributions and you may also be subject to certain federal tax penalties.

YOUR (ERISA) BENEFITS RIGHTS

As a participant in this plan, you are entitled to certain rights and protections under the Employee Retirement Income Security Act of 1974 (ERISA). This statement of your ERISA rights is required by federal law and regulations. In addition,

ERISA provides that you, as a plan participant are entitled to:

- Receive information about your plan and benefits.
- Examine, without charge, at the office of the plan supervisor and at other specified locations such as work sites and union halls, all plan documents governing the plan, including insurance contracts and collective bargaining agreements, and copies of all documents filed by the plan with the U.S. Department of Labor and available at the Public Disclosure Room of the Pension and Welfare Benefits Administration.
- Obtain, upon written request to the plan supervisor, copies of documents governing the operation of the plan, including insurance contracts and collective bargaining agreements. The plan supervisor may make a reasonable charge for the copies.
- Receive a summary of the plan's annual financial report. The plan supervisor is required by law to furnish each participant with a copy of this summary annual report.

PRUDENT ACTIONS BY PLAN FIDUCIARIES

In addition to creating rights for plan participants, ERISA imposes duties upon the people who are responsible for the operation of the plan. The people who operate your plan, called "fiduciaries" of the plan, have a duty to do so prudently and in the interest of you and other plan participants and beneficiaries. No one, including your employer, your union, if applicable, or any other person, may fire you or otherwise discriminate against you in any way to prevent you from obtaining a welfare benefit or exercising your rights under ERISA.

ENFORCE YOUR RIGHTS

If your claim for a benefit is denied or ignored in whole or in part, you have a right to know why this was done, to obtain copies of documents relating to the decision without charge and to appeal any denial, all within certain time schedules.

Under ERISA, there are steps you can take to enforce your rights. For instance, if you request a copy of the plan documents or the latest annual report for the plan and do not receive them within 30 days, you may file suit in a federal court. In such a case, the court may require the Fiduciary Committee to provide the materials and pay up to \$110 a day until you receive the materials, unless the materials were not sent because of reasons beyond the control of the Fiduciary Committee. If you have a claim for benefits, which is denied or ignored, in whole or in part, you may file suit in a federal court. In addition, if you disagree with the plan's decision or lack thereof concerning the qualified status of a domestic relations order, you may file suit in federal court. If it should happen that plan fiduciaries misuse the plan's money, or if you are discriminated against for asserting your rights, you may seek assistance from the U.S. Department of Labor, or you may file suit in a federal court. The court will decide who should pay court costs and fees. If you are successful, the court may order the person you have sued to pay these costs and fees. If you lose, the court may order you to pay these costs and fees, for example, if it finds your claim is frivolous.

ASSISTANCE WITH YOUR QUESTIONS

If you have questions about your plan, you should contact the plan supervisor. If you have any questions about this statement or your rights under ERISA, or if you need assistance in obtaining documents from the plan supervisor, you should contact the nearest Employee Benefits Administration, U.S. Department of Labor, listed in the telephone directory. You may call 202.693.8673 or address requests to Public Disclosure Room, Room N-1513, Employee Benefits Security Administration, U.S. Department of Labor, 200 Constitution Ave., N.W., Washington, D.C. 20210.

CONTACT INFORMATION BY TYPE OF SERVICE

VENDOR	PHONE	WEB ADDRESS
Backup Care (Temporary care for infant to elder) ■ Bright Horizons — To pre-register or schedule care	1-877-242-2737	www.backup.brighthorizons.com UN: TexasChildrens PW: backup1
COBRA — New 2011 Provider ■ PayFlex	1-800-284-4885 (option 3)	www.HealthHub.com
Disease Management — New 2011 Provider ■ Focused Health Solutions	1-888-352-9355	TCH.myfocusedhealth.com
FSA's (Health Care & Dependent Care) — New 2011 Vendor ■ PayFlex	1-800-284-4885 (option 1)	www.HealthHub.com
Life Insurance — New 2011 Provider ■ Prudential	1-888-598-5671	www.prudential.com
Long-Term Care ■ John Hancock	1-800-724-3785	http://tch.jhancock.com UN: tch PW: mybenefit
Medical / Dental — New 2011 Provider and Network ■ BlueCross BlueShield of Texas (BCBSTX)	1-877-734-8924	www.bcbstx.com/tch
Pharmacy / Prescriptions ■ Express Scripts ■ Select Home Delivery Program ■ CuraScript (specialty medications) ■ Freedom Fertility (fertility drugs)	1-800-316-3102 1-888-772-5188 1-888-773-7376 1-800-660-4283	www.express-scripts.com www.StartHomeDelivery.com www.curascript.com www.freedomfertility.com
Retirement ■ Fidelity 403b Retirement Savings Plan ■ Fidelity 529 College Savings Plan ■ Fidelity Spanish Information Line	1-800-343-0860 1-800-544-1914 1-877-297-3017	www.fidelity.com/atwork www.fidelity.com/unique
Texas Medical Center ■ For TMC Parking Card Issues ■ For changes to Parking elections	713-791-6161 832-824-2421 (option 1)	
Tuition Assistance Program ■ EdLink – Customer Service ■ EdLink – For Online Applications ■ EdLink – To Fax Documentation	1-888-797-2235 1-866-284-0859	http://tamsonline.org/TCH
Vision ■ Vision Service Plan (VSP)	1-800-877-7195	www.vsp.com/go/tch

HUMAN RESOURCES	PHONE	WEB ADDRESS
Employee Health ■ Personal and Family Medical Leave (FML) ■ Employee Assistance Program (EAP)	832-824-2150 832-824-3327	eap@texaschildrens.org
Texas Children's Benefits Department Meyer Building, 3rd Floor, 8a - 5p Monday - Friday	832-824-2421 (option 1)	totalrewards@texaschildrens.org
Texas Children's HR Service Center Abercrombie Building (A-130), 7a - 4p Monday - Friday		

TCH SELECT DOLLARS



As a supportive way to help employees offset the cost of benefit premiums, additional dollars (referred to as "Select Dollars") are paid based on your years of 'benefit' service and job status. Select Dollars begin on the same day your premium deductions begin and will change on your anniversary date or on the date of a status change. (example: part-time to full-time status) Whether you enroll or waive benefit coverage, eligible employees will automatically receive Select Dollars as additional take-home income, subject to applicable taxes.

SELECT DOLLARS



SelectPLUS' Dollars, in the amount of \$50/month or \$23.08/pay period, will be applied to employees who 1) participate in a TCH medical plan and 2) who earn an hourly wage of \$14.00 or less as of January 1, 2011.

Additional Pay to Offset the Cost of Employee Benefit Premiums

FULL-TIME Employees (Years of benefit service)	Monthly SELECT DOLLARS	AMOUNT ADDED TO EMPLOYEE PAYCHECK	
		SELECT DOLLARS	SelectPLUS Dollars Must be in a TCH Medical Plan AND make an hourly wage of \$14 or less.
0-1 year	\$60 + \$ 0 = \$ 60	\$27.69 / pay period	\$50.77 / pay period
1-2 years	\$60 + \$ 5 = \$ 65	\$30.00 / pay period	\$53.08 / pay period
3-4 years	\$60 + \$10 = \$ 70	\$32.31 / pay period	\$55.39 / pay period
5-6 years	\$60 + \$20 = \$ 80	\$36.92 / pay period	\$60.00 / pay period
7-10 years	\$60 + \$30 = \$ 90	\$41.54 / pay period	\$64.62 / pay period
11-15 years	\$60 + \$40 = \$100	\$46.15 / pay period	\$69.23 / pay period
16-24 years	\$60 + \$50 = \$110	\$50.77 / pay period	\$73.85 / pay period
25+ years	\$60 + \$75 = \$135	\$62.31 / pay period	\$85.39 / pay period

PART-TIME Employees (Years of benefit service)	Monthly SELECT DOLLARS	AMOUNT ADDED TO EMPLOYEE PAYCHECK	
		SELECT DOLLARS	SelectPLUS Dollars Must be in a TCH Medical Plan AND make an hourly wage of \$14 or less.
0-1 year	\$25 + \$ 0 = \$ 25	\$11.54 / pay period	\$34.62 / pay period
1-2 years	\$25 + \$ 5 = \$ 30	\$13.85 / pay period	\$36.93 / pay period
3-4 years	\$25 + \$10 = \$ 35	\$16.15 / pay period	\$39.23 / pay period
5-6 years	\$25 + \$20 = \$ 45	\$20.77 / pay period	\$43.85 / pay period
7-10 years	\$25 + \$30 = \$ 55	\$25.38 / pay period	\$48.46 / pay period
11-15 years	\$25 + \$40 = \$ 65	\$30.00 / pay period	\$53.08 / pay period
16-24 years	\$25 + \$50 = \$ 75	\$34.62 / pay period	\$57.70 / pay period
25+ years	\$25 + \$75 = \$100	\$46.15 / pay period	\$69.23 / pay period

Per Pay Period Examples of Select Dollars In Action!

Examples Reflect: New Employee with 'Employee ONLY' coverage with PPO Medical	FULL-TIME Employee	PART-TIME Employee	FULL-TIME SelectPLUS Employee	PART-TIME SelectPLUS Employee
Per Pay Period PPO Premium	\$35.22	\$35.22	\$35.22	\$35.22
Offset by per pay period Select Dollars	-27.69	-11.54	- 50.77	-34.62
Actual per pay period cost for PPO Medical	\$ 7.53	\$23.58	- \$15.55	\$0.60

2011 TCH SELECT PLANS EMPLOYEE COSTS

PER PAY PERIOD

PREMIUMS

MEDICAL OPTIONS	PPO	EPO
Employee Only	\$ 35.22	\$ 63.94
Employee & Spouse	\$ 154.67	\$ 187.08
Employee & Child	\$ 111.52	\$ 143.03
Employee & Children	\$ 164.98	\$ 196.50
Employee, Spouse & Child	\$ 230.66	\$ 266.08
Employee & Family	\$ 284.45	\$ 319.65
DENTAL OPTIONS	DPPO-HIGH	DPPO-LOW
Employee Only	\$ 16.01	\$ 9.25
Employee & 1 Dependent	\$ 30.45	\$ 17.58
Employee & Family	\$ 42.94	\$ 24.80
VISION PLAN		
Employee Only	\$ 3.83	
Employee & Spouse	\$ 7.66	
Employee & Child	\$ 7.28	
Employee & Children	\$ 7.28	
Employee, Spouse & Child	\$ 11.49	
Employee & Family	\$ 11.49	
EMPLOYEE LIFE INSURANCE		
Basic Life	Paid by Texas Children's	
Optional Life Insurance	Premium paid by employee based on salary	
SPOUSE LIFE INSURANCE		
Premium paid by employee (based on employee's age) up to maximum \$100,000.		
EMPLOYEE ACCIDENTAL DEATH AND DISMEMBERMENT (AD&D) INSURANCE		
Basic AD&D	Paid by Texas Children's	
Optional AD&D Insurance	Premium paid by employee based on salary	
DEPENDENT LIFE INSURANCE		
\$ 2,500	\$.26
\$ 5,000	\$.51
\$10,000	\$	1.02
LONG-TERM DISABILITY		
Basic LTD	Paid by Texas Children's	
Optional LTD	Premium paid by employee based on age and salary	
FLEXIBLE SPENDING ACCOUNTS		
Health Care FSA Annual Maximum	\$5,000 per year (minimum \$5.00 per pay period)	
Dependent Care FSA Annual Maximum	\$5,000 per year, including \$260.00 employer contributions (minimum \$5.00 per pay period)	

Remember Your Select Dollars!



Five in a Row!

Texas Children's Hospital is proud to be one of the *Houston Business Journal's* Best Places to Work for the fifth consecutive year.

Every day, our team of gifted employees, physicians, researchers and volunteers makes the world a healthier place by providing the finest possible patient care, education and research. Together, we are redefining the future of pediatric health care with a comprehensive growth plan including a state-of-the-art maternity center, a suburban hospital in West Houston and the Jan and Dan Duncan Neurological Research Institute™. Simply stated, Texas Children's is making a world of difference to the world at large.

This guide is a Summary of Material Modifications to your benefits coverage and contains changes to your benefits as described in your Summary Plan Description. For a complete description of your benefits, see your Summary Plan Description on the Connect website.

This reference guide describes the various benefit plans offered by Texas Children's in summary only. The actual eligibility requirements, benefits, terms, conditions, limitations, and provisions that govern the plans are contained in the plan documents or group insurance contracts. If, in our efforts to make the plans easy to understand, any of the plans' provisions have been omitted or misstated; the official plan documents or insurance contracts must remain the final authority. The legal documents also govern the administration of the plans and payment of benefits. In the case of any dispute, the information in the plan documents or contracts will prevail.

Copies of these documents are available for your inspection during normal business hours or may be requested in writing for a nominal fee from:

Texas Children's Hospital
Human Resources Dept., Suite 1301
1919 S. Braeswood, Houston, TX 77030