

ALLINA HOSPITALS & CLINICS  
2012 Physician Benefits Overview



*Allina Hospitals & Clinics is proud to provide  
our physicians competitive benefits that  
help support their health, savings & balance.*



COMMON PURPOSE  
UNCOMMON CARING

# Benefits overview

Allina is proud to offer benefits that support employee health, savings and balance. These benefits are part of Be Fit, which is aimed at building a healthy and committed employee community with a financially secure future.



## Medical and Pharmacy

- Allina First Plan
- Gold Health Savings Plan
- Bronze Health Savings Plan

## Dental

## Wellness

- Health screen
- Health coaching
- Lifestyle programs
- Online support
- Condition management
- Tobacco cessation support

## Employee Assistance Program

- Counseling
- Child/Eldercare resources
- Budgeting assistance
- Other employee resources



## Retirement Savings Plan

- Annual Allina contribution
- Before-tax contributions matched by Allina
- Automatic enrollment and automatic contribution increase

## Supplemental Benefits

- Allina-funded Mutual Fund Accounts
- 457(b) or additional elective deferral opportunity

## Pre-Tax Reimbursement Accounts

- Health Care
- Limited Purpose Health Care (for HSA participants only)
- Dependent Care (Day Care)

## Health Savings Account (HSA)

- Those who enroll in the Gold Health Savings Plan receive a \$500 contribution from Allina for employee-only coverage or \$1,000 contribution for all other coverage levels (family, etc.)



## Paid Time Off (PTO)

## Basic Group Life Insurance

- Allina paid 1x base salary

## Voluntary Group Life Insurance

- Employee
- Spouse/Same-sex domestic partner
- Dependent children

## Accidental Death & Dismemberment (AD&D) Insurance

## Income Protection Program

- Allina-paid short-term disability benefit

## Group Long-Term Disability (LTD) Insurance

- Allina paid 60 percent after-tax benefit

## More Benefits by Marsh

- Legal insurance
- Vision insurance
- Auto and home insurance
- Long-term care insurance
- Identity theft coverage
- Computer Purchase Program

## Business Travel Accident Insurance

## Tuition Reimbursement/CME

## Minnesota's 529 College Savings Plan

## Adoption Assistance Program

## Additional benefits for physicians:

- Allina-funded mutual fund account
- Additional elective deferral opportunity
- Income protection
- Payment of malpractice insurance coverage
- Continuing Medical Education (CME) days and CME allowance
- Payment of licensure fees



With Be Fit, Allina provides medical coverage that delivers flexibility, as well as tools and resources to help you actively manage your health and well-being.



*Your medical benefits take effect on the first of the month following employment, unless your start date is the first of the month.*

## Your medical benefits

Allina offers employees the choice of three medical plans. Each plan offers 100 percent coverage for preventive care, including physical exams, well-child care, immunizations and routine eye exams when in-network providers are used. Allina's medical plans are administered by HealthPartners, which offers an expansive network of more than 700,000 providers from which to choose. Following is a brief description of each plan. Refer to the chart on pages 6-7 for more details about coverage levels.

### Allina First Plan

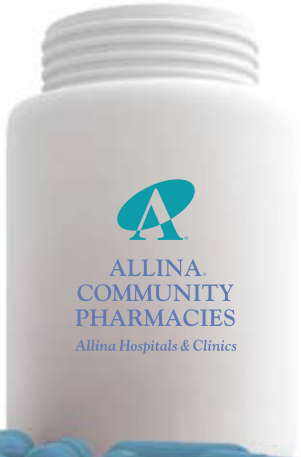
The Allina First Plan provides the highest level of coverage of the medical plans Allina offers. Those who enroll in this plan enjoy low copays and coinsurance when Allina facilities and providers are used for care. While the benefits coverage is highest when Allina facilities are used, the Allina First Plan also offers the option to tap into thousands of providers and facilities that are part of the HealthPartners Broad Access Network. Those who choose this plan must be careful not to use out-of-network providers or facilities as there is no coverage for out-of-network care, except in emergencies.

### Gold and Bronze Health Savings Plans

The Health Savings Plans have several features in common, including a Health Savings Account (HSA) administered by Wells Fargo. Employees can use their HSA to save pre-tax dollars to pay for health care expenses. With either plan, the employee must meet a deductible before coverage for most health care expenses begins.

The **Gold Health Savings Plan** is the best choice for those who want more flexibility in choosing their health care providers and facilities. Allina provides a tax-free \$500 (single coverage) or \$1,000 (family coverage) contribution to the HSA of those who enroll in this plan. These dollars can be used toward your medical expenses to lower your out-of-pocket costs before you reach the deductible. If you don't use these dollars, they carry-over from year to year and can be invested so they grow over time.

The **Bronze Health Savings Plan** features low monthly premiums. In exchange, you will have a higher deductible which means you will pay more before the plan starts to cover some of your costs. You can automatically deduct pre-tax dollars from your paycheck to put toward your HSA to pay for your medical costs. There is no Allina contribution to the HSA for the Bronze Plan. Allina's Bronze plan is a great choice for people who do not anticipate high medical expenses, but would like the financial protection medical coverage provides.



## Your pharmacy coverage

Choosing prescription drugs carefully is one choice you have in managing your costs. All three medical plans feature a preferred drug list, which can be viewed at [healthpartners.com/allina](http://healthpartners.com/allina). Employees are encouraged to fill prescriptions at any of the 15 Allina Community Pharmacies locations or through its free mail service. Go to [allina.com/pharmacy](http://allina.com/pharmacy) for more information about locations and mail delivery.



## Your vision benefit

All of Allina's medical plans offer a free annual eye exam. In addition, a 25% discount on all eyewear purchases from any of the 12 Allina Medical Clinic Eye Centers and three Aspen Medical Group retail optometry locations is offered to Allina employees, their dependent children up to age 26 and immediate family members who share the same residence.

Employees may also choose EyeMed Vision Care through Marsh, a voluntary vision program. To see a list of participating providers, go to [enrollwiththeyemed.com](http://enrollwiththeyemed.com) and choose ACCESS from the provider locator drop down box.

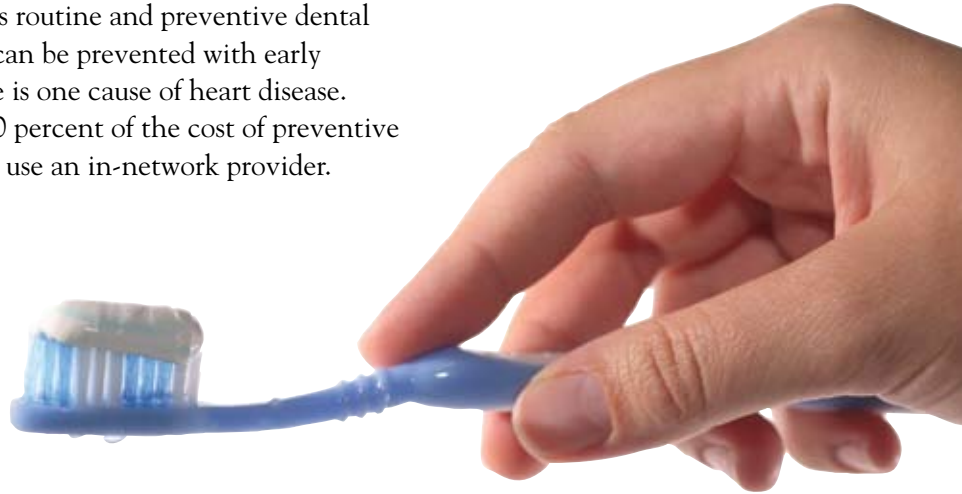


## Your wellness

Allina believes your most valuable asset is your good health. As an employee, you have access to many programs and tools designed to help you manage or improve your health. And, by participating in myHealthCheck<sup>SM</sup>, a program offered through Allina's partnership with Life Time Fitness<sup>®</sup>, you may qualify in 2012 for credits on your monthly 2013 health plan premiums. Additional wellness resources include onsite group coaching, personalized health coaching, tobacco cessation therapy, discounts on WeightWatchers memberships and health club memberships, and much more.

## Your dental benefit

Dental coverage helps you and your family access routine and preventive dental care at a reasonable cost. Most dental problems can be prevented with early diagnosis and treatment and poor dental hygiene is one cause of heart disease. That's why the Allina dental program covers 100 percent of the cost of preventive exams and cleanings every six months when you use an in-network provider.



Following is an overview of the coverage provided by the dental program.

	Delta 6451	
	PPO Network	Premier Network & Non-Participating Dentists
Deductible	\$25 per person	\$75 per person
Maximum Benefit Per Person	\$1,500 combined	
PARTIAL BENEFIT DESCRIPTION	When you receive covered services, you pay:	
Diagnostic Preventative Services	\$0	20% coinsurance
Basic Restorative Services (fillings, etc.)	Deductible, then 0%	Deductible, then 20%
Periodontics (treatment of gums, etc.)	Deductible, then 20%	Deductible, then 50%
Oral Surgery	Deductible, then 20%	Deductible, then 50%
Endodontics (root canal, etc.)	Deductible, then 20%	Deductible, then 20%
Major Restorative Services (crowns, etc.)	Deductible, then 50%	Deductible, then 50%
Prosthetic Services (bridges & dentures)	Deductible, then 0% - 50% depending on service	Deductible, then 20% - 50% depending on service
Orthodontics (no adult coverage)	50% covered with \$1,500 lifetime maximum. Dependents ages 8 up to 19 only.	
Out-of-Network Emergency Services	Same benefits as In-Network	

*Note: If your dentist is a non-participating provider, your provider may charge you the difference between the charged fee and the fee allowed by Delta Dental.*

# Medical Plan DETAILS

## 2012

### ALLINA FIRST PLAN

### GOLD HEALTH SAVINGS PLAN

Employer contribution to HSA: \$500 individual;  
\$1,000 all other coverage levels

### BRONZE HEALTH SAVINGS PLAN

Employer contribution to HSA: \$0

Be Fit Preferred* Deductible		ALLINA FIRST PLAN		GOLD HEALTH SAVINGS PLAN		BRONZE HEALTH SAVINGS PLAN		
In-Network		\$200 per person, up to a maximum of \$600 per family		\$1,300 individual; \$2,600 all other coverage levels		\$3,000 individual; \$6,000 all other coverage levels		
Out-of-Network		Does not apply: No out-of network coverage		\$2,600 individual; \$5,200 all other coverage levels		\$6,000 individual; \$12,000 all other coverage levels		
<b>MEDICAL BENEFITS</b>								
Preventive Care		\$0	No coverage	\$0	No coverage	\$0	No coverage	
Convenience Care		\$5 copay	\$15 copay	No coverage	Deductible, then 5%	Deductible, then 10%	Deductible, then 5%	Deductible, then 10%
Office Visits Primary Care		\$10 copay	\$25 copay	No coverage	Deductible, then 15%	Deductible, then 40%	Deductible, then 15%	Deductible, then 40%
Specialists		15%	15%					
Chiropractic		\$15 copay 15 visit limit	\$25 copay 15 visit limit					
Mental Health - Group Session		\$5 copay	\$10 copay					
Mental Health - Individual Session		\$10 copay	\$10 copay					
Substance Abuse		\$10 copay	\$10 copay					
Rehabilitative Therapy Physical, Occupational, Speech		Deductible, then 10%	Deductible, then 20%					
Inpatient/Outpatient Hospital and Surgery		Deductible, then 10%	Deductible, then 40% <small>(out-of-pocket max. does not apply)</small>					
Laboratory and Imaging (X-Ray/CT/MRI)		Deductible, then 10%	Deductible, then 20%	Deductible, then 15%		Deductible, then 15%		
Diabetic & Ostomy Supplies		0%	20%	30%	Deductible, then 0%	Deductible, then 20%	Deductible, then 0%	Deductible, then 20%
Urgent Care		10%	20%	25%	Deductible, then 15%		Deductible, then 15%	
Emergency Room		Deductible, then 25%		Deductible, then 25%		Deductible, then 25%		
<b>PHARMACY BENEFITS</b>								
Generics		FREE	\$8 copay	No coverage	Deductible, then 15%		Deductible, then 15%	
Brand-name preferred		25%	40%		Deductible, then 25%		Deductible, then 25%	
Non-preferred		50%	60%		Deductible, then 50%		Deductible, then 50%	
Insulin (Brand-name preferred)		10%	25%		Deductible, then 15%		Same as Retail**	
Specialty		Same as Retail**		No coverage	Same as Retail**		No coverage	
Mail Order (93 day supply)		Same as Retail**	No coverage	No coverage	Same as Retail**	No coverage	No coverage	No coverage
<b>Annual out-of-pocket maximum</b>								
Pharmacy Benefits		\$1,000	No maximum	No maximum	Combined with medical benefit		Combined with medical benefit	
Medical Benefits		\$3,000 per person, up to a maximum of \$6,000 per family			\$3,000 per person, up to a maximum of \$6,000 per family		\$6,000 per person	\$6,000, up to a maximum of \$12,000 per family
<b>Annual maximum</b>		\$2 million all medical and pharmacy plans combined per person annual maximum for essential benefits						

#### Pharmacy benefits \*\* Same as Retail

Same as retail means that the cost of your specialty and mail order medications is the same as what you would pay for non-specialty generics, brand-name preferred and non-preferred medications.

Mail order prescriptions must be filled at Allina Community Pharmacies. You must fill a specialty prescription at Allina Community Pharmacies to receive Allina Network coverage. You also have the option to fill your prescription at a HealthPartners designated specialty drug vendor to receive Broad Access Network coverage.

#### Here's a glossary of terms used in the plan descriptions:

**Allina Network:** All Allina providers and facilities, partnering facilities and providers enrolled in Allina's Integrated Medical Network. View a full list at [HealthPartners.com/allina](http://HealthPartners.com/allina).

**Broad Access Network:** Providers and facilities that contract to be in the HealthPartners national network, not including the Allina Network described above.

**In-network:** The combination of the Allina Network and the Broad Access Network.

**Essential Benefits:** Includes the following: ambulatory patient services, emergency services, hospitalizations, maternity and newborn care, mental health and substance abuse disorder services, prescription drugs, rehabilitative and habilitative services and devices, laboratory services, preventive and wellness services, chronic disease management and pediatric services.

**Annual deductible:** The amount you must pay each year before your plan begins to pay for certain services. Your deductible counts toward your annual out-of-pocket maximum.

**Coinsurance:** For some services, you share in the cost of your care by paying a percentage of the total cost of the services you receive. This is called coinsurance. The percentage you pay will be less when you use in-network providers and preferred drugs. Amounts you pay in coinsurance apply toward your annual out-of-pocket maximum.

**Copayment:** A flat dollar amount you pay for specific services or medical treatments. The cost is the same each time you receive that service. You don't have to meet your plan's deductible before you pay a copayment. The copayment doesn't apply toward your annual deductible, but it does count toward your annual out-of-pocket maximum.

**Out-of-pocket maximum:** This is the maximum dollar amount you're responsible to pay each year for covered services. Once you reach your annual out-of-pocket maximum, Allina will cover 100 percent of eligible expenses, up to the \$2 million annual maximum for essential benefits. More information about eligible expenses is detailed on [MyAllina](http://MyAllina).

With Be Fit, Allina partners with you to build a secure future through contributions to savings plans, investment assistance and financial education.



## Your retirement benefit

Allina provides a 401(k) Retirement Savings Plan. You can contribute your own pre-tax dollars to your 401(k) Retirement Savings Plan account through payroll contributions. Allina provides a fifty cent match on every dollar you contribute, up to a maximum matching contribution equal to 2% of your eligible earnings. In addition, Allina will make an annual contribution to your 401(k) Retirement Savings account for eligible earnings paid in the previous calendar year.

To help you save more for retirement, you are automatically enrolled at a 4% pre-tax contribution rate in the ProManage PROgram. This program manages your investment allocations for a monthly fee, but you may opt-out at any time.

Following is an at-a-glance look at the Retirement Savings Plan:

	Employee Pre-Tax Contributions	Allina Match	Annual Allina Contribution										
<b>Eligibility</b>	All employees, immediate plan entry	.5 FTE, immediate plan entry	Once you reach age 21 and accrue one year of service with 1,000 hours, the plan entry date is the first of the following month.										
<b>Auto-Enrollment/ Auto-Increase</b>	<ul style="list-style-type: none"> <li>Auto-enrollment begins at 4%</li> <li>Auto-increase at 1% each year, up to 10%</li> <li>Employees may opt-out at any time</li> </ul>	N/A	N/A										
<b>Benefit</b>	For 2012, the contribution limit is \$17,000 if you are under age 50 and \$22,500 if you are over age 50	\$.50 cents match per \$1, up to a maximum matching contribution of 2% of eligible earnings*	<table border="1"> <thead> <tr> <th>Years of Vesting Service (as of year-end)</th> <th>% of Pay*</th> </tr> </thead> <tbody> <tr> <td>1-5</td> <td>3.00</td> </tr> <tr> <td>6-10</td> <td>3.50</td> </tr> <tr> <td>11-15</td> <td>4.00</td> </tr> <tr> <td>16 or more</td> <td>4.50</td> </tr> </tbody> </table> <p>Contribution for the first year is based on eligible compensation paid from plan entry date to year-end. Once the initial eligibility is met, the contribution is made each year thereafter for the prior calendar year, regardless of the number of hours worked.</p>	Years of Vesting Service (as of year-end)	% of Pay*	1-5	3.00	6-10	3.50	11-15	4.00	16 or more	4.50
Years of Vesting Service (as of year-end)	% of Pay*												
1-5	3.00												
6-10	3.50												
11-15	4.00												
16 or more	4.50												
<b>Timing of Contribution</b>	Each payroll cycle	Each payroll cycle	Made shortly after year-end for prior calendar year.										
<b>Benefit Growth</b>	Earnings based on employee-selected investments	Earnings based on employee-selected investments	Earnings based on employee-selected investments										
<b>Vesting</b>	Immediate	Immediate	2 years										
<b>Form of Benefit Distribution</b>	Lump sum payment, installments	Lump sum payment, installments	Lump sum payment, installments										
<b>Earliest Distribution of Benefit</b>	Age 59 1/2 or upon termination of employment	Age 59 1/2 or upon termination of employment	Age 59 1/2 or upon termination of employment										

\*Contributions are capped at the IRS limit (for example, \$250,000 for 2012).

## Other savings opportunities

Allina offers you the opportunity to set aside up to \$5,000 pre-tax dollars in a **Health Care Reimbursement Account**. You can also set aside up to \$5,000 pre-tax dollars in a **Dependent Care (Day Care) Reimbursement Account**. The pre-tax funds in these accounts can be spent on eligible expenses.

## Additional benefits for physicians

### Allina-funded mutual fund account

Allina provides physicians a five percent contribution based on actual (eligible) earnings paid per pay period. This is a pre-tax contribution.

For most physicians, deposits and earnings are tax sheltered until vested. For employees of taxable entities, deposits are FICA-taxable in the year deferred. Balances are income taxed upon payout.

If you do not elect a payout date for contributions made in a specific calendar year, you will receive the distribution in the calendar year two years following the year of the contributions.

Additionally, remaining assets in this account require completion of a two-year non-competition agreement in the case of voluntarily terminating employment prior to age 67 for employees of non-taxable entities.

**PLEASE NOTE:** *The non-competition agreement related to the mutual fund account is different than the non-compete that may exist in your employment agreement.*

### Additional elective deferral opportunity

#### **For physicians of tax-exempt entities:**

*Allina 457(b) Non-qualified Deferred Compensation Plan*

In addition to the savings opportunities available under the Retirement Savings Plan, you may contribute up to an additional \$17,000 to the Allina 457(b) Non-qualified Deferred Compensation Plan. You may change your election at any time during the year. To set up or change a deferral election, call Fidelity at 1-800-343-0860 or go to [Fidelity.com/atwork](https://www.fidelity.com/atwork).

#### **For physicians of taxable entities:**

*Additional elective deferral*

(for Quello, Minneapolis Cardiology Associates and Vascular Specialists of Minnesota)

Although you are not eligible to participate in Allina's 457(b) Non-qualified Deferred Compensation plan, Allina offers you the opportunity to defer up to an additional \$17,000 of your regular compensation on a pre-tax basis to your Mutual Fund account. This additional deferral opportunity is referred to as an additional elective deferral. The payout date you elect for the Allina-funded portion of your physician mutual fund account will also apply to your additional elective deferral amount. You may change your elected payout date once, subject to IRS constraints.



With Be Fit, Allina provides benefits that help you achieve a healthy work-life balance and plan for the “just in case” events to protect you and your family.



## Physician Income Protection (Short-Term Disability)

Allina provides a generous income protection benefit to physicians. Benefits begin on the fifth calendar day of disability and continue until the 180th day of disability. From days 5-90, the benefit is 100% of your regular pay. From days 91-180, you will receive 80% of your regular pay. This includes maternity leave, for the period of the disability.

If your disability is due to hazardous activity (e.g., auto racing, scuba diving, sky diving, etc.), your benefit is reduced to 60% of your regular pay on days 5-180.

## Allina-paid Long-Term Disability Coverage

To help protect you financially, Allina will provide you with Long-Term Disability (LTD) coverage at 60 percent of your prior year eligible earnings after-tax. The LTD Plan is designed to provide a benefit if you suffer a disability lasting longer than 180 days. This group LTD plan has a maximum monthly benefit of \$20,000 and an “own occupation” definition of disability to age 65. You will be taxed on the premiums paid by Allina for this coverage. This is to your advantage so that if you should need to use the LTD coverage, the benefit you receive will be non-taxable income by the IRS.

## Allina-paid Group Basic Life Insurance

Allina provides Group Basic Life insurance with a benefit level of one times base salary, up to a maximum of \$1 million.

## Voluntary Group Term Life Insurance

As an Allina employee, you may purchase Voluntary Group Term Life insurance for yourself for coverage up to 10 times your salary, not to exceed \$5 million. You may also purchase Voluntary Group Life insurance for your spouse/same-sex domestic partner and your dependent child(ren) at group rates.

Accidental Death & Dismemberment insurance is provided automatically in an amount equal to your elected Voluntary Life coverage (up to a maximum of six times salary, not to exceed \$1 million).

### Allina also provides:

- Payment of your malpractice insurance coverage
- Continuing medical education (CME) days and an annual CME allowance, which includes professional membership dues and professional journal subscriptions.
- Payment of licensure fees
- Paid Time Off (PTO) based on policy and site needs

### Other benefits that help with balance include:

- Business Travel Accident insurance
- Minnesota’s 529 College Savings Plan
- Adoption Assistance
- Employee Assistance Program

## More Benefits by Marsh

In addition to administering EyeMed Vision Care (see page 4), Marsh also offers a supplemental benefits program called More Benefits by Marsh. Once you enroll in any of these plans, you must call Marsh to cancel coverage or you will continue to be included in the plan and billed accordingly. To cancel coverage, call Marsh at 1-866-305-1043.

### Plan options offered during Benefits Enrollment only.

<b>EyeMed Vision Care</b>	<p>EyeMed Vision Care through Marsh is a voluntary vision program. To see a list of participating providers, visit <a href="http://enrollwiththeyemed.com">enrollwiththeyemed.com</a> and choose ACCESS from the provider locator drop down box.</p>
<b>Group Legal Plan</b> <i>Provided through Hyatt Legal Plans, a MetLife® company</i>	<p>The MetLaw® Comprehensive Legal Plan gives you access to legal services and representation on a wide range of matters, including wills and estate planning, financial matters, real estate, traffic offenses (no DUI) and more.</p>

### Plan options offered year-round. Coverage will rollover each year unless you call Marsh to cancel.

<b>Choice Auto and Home Program</b> <i>Underwritten by MetLife Auto &amp; Home®, Travelers and Safeco® Insurance</i>	<p>Call Marsh for quotes from three of the nation's leading auto and home insurance companies. You could save up to 15 percent just for being an Allina employee.</p>
<b>Group Long-Term Care</b> <i>from CNA</i>	<p>You can economically protect your savings from the rising cost of long-term care. You, your spouse/same-sex domestic partner, parents, parents-in-law, grandparents, and grandparents in-law may apply for coverage. (Subject to evidence of good health.)</p>
<b>ID Theftsmart™</b> <i>A service provided by Kroll Inc.</i>	<p>If you believe you are a victim of identity theft, a team of licensed investigators will help restore your identity. Continuous credit monitoring is also performed through this industry-leading service.</p>
<b>Computer Purchase Program</b> <i>Provided through Purchasing Power</i>	<p>Purchasing Power offers employees who meet the eligibility requirements the ability to purchase new, brand-name computers through the ease of payroll deduction.</p>

## OUR KEY PARTNERS

**HealthPartners** is Allina's medical and pharmacy benefits administrator. While employees are encouraged to use Allina providers and facilities, the HealthPartners Broad Access Network includes a majority of Minnesota providers and more than half a million providers nationwide. To determine whether your provider is in-network, visit [healthpartners.com/allina](http://healthpartners.com/allina).

**Delta Dental** administers Allina's dental plans and is America's largest dental benefits carrier.

**Marsh** administers Allina's supplemental benefits program, *More Benefits by Marsh*. Through this program, Allina employees may select from the following: vision care, auto and home insurance, legal insurance, long-term care insurance and identity theft coverage.

**Fidelity Investments** manages Allina's Retirement Savings Plan and non-qualified deferred compensation plans and is an international provider of financial services and investment resources that help individuals and institutions meet their financial objectives.

**Wells Fargo** administers Health Savings Accounts for Allina employees who select a Health Savings Plan.

**Optum** administers Allina's Employee Assistance Program, which provides employees and their family members with confidential and professional assistance on a broad range of issues, including grief, family and work-related issues. This service is available 24-hours a day, seven days a week.

*This guide provides a high-level benefits overview. Please talk with your Allina human resources representative if you have questions about any of the programs offered by Allina.*

This guide is not a full statement of the plans. The terms of these benefit programs are governed by the official legal documents. Allina reserves the right to amend, modify or terminate any benefit program or plan described in this handbook at any time, for any reason and in any respect, in whole or in part, at its sole discretion.