

Your Sandia Total Health Toolkit

A guide to the new
Sandia Medical Plan



Your Health. Take Charge.



Non-Represented Employees

Sandia Total Health Toolkit

Your Resource for More Information

This Sandia Total Health Toolkit is designed to work with your Open Enrollment newsletter as an additional resource to assist you in making your 2010 benefit decisions.

As you know, Sandia will be offering Sandia Total Health in 2010 — a Consumer-Directed Health Plan (CDHP) with a Health Reimbursement Account (HRA).

For non-represented employees, Sandia Total Health will replace the UHC Standard PPO Plan in 2010 and will be Sandia's only medical plan in 2011. And in 2011, our goal is to offer Sandia Total Health through many of our current physician/facility networks, such as Presbyterian and Lovelace in New Mexico, Kaiser in California, and other well-regarded networks in California and other areas.

Currently enrolled in the UHC Standard PPO Plan?

If you're currently enrolled in the UHC Standard PPO Plan and you don't make a new election during Open Enrollment, you'll be automatically enrolled in Sandia Total Health for 2010.

What's Included

This Sandia Total Health Toolkit provides more information about the new plan and how it can benefit you, including:

- What Is Sandia Total Health? 2
- A Closer Look at the Health Reimbursement Account 4
- How to Participate in a Biometric Screening and Take the Health Assessment..... 7
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What Is Sandia Total Health?

Sandia Total Health is a healthcare plan that offers flexibility and choice — features we know are important to you.

Sandia Total Health has two components — comprehensive healthcare coverage and a Health Reimbursement Account (HRA) that Sandia contributes to. This is how they work together:

For a look at the 2010 benefits available under Sandia Total Health, see the plan design chart included in the Open Enrollment materials sent with this toolkit.

HEALTHCARE COVERAGE

- In-network preventive care covered at 100%
- Comprehensive medical and prescription drug coverage
- Flexibility of in- and out-of-network coverage, with higher benefits in-network
- Annual deductible and coinsurance provisions
- Out-of-pocket maximum amount you pay, to protect you from the expense of possible catastrophic illness or injury

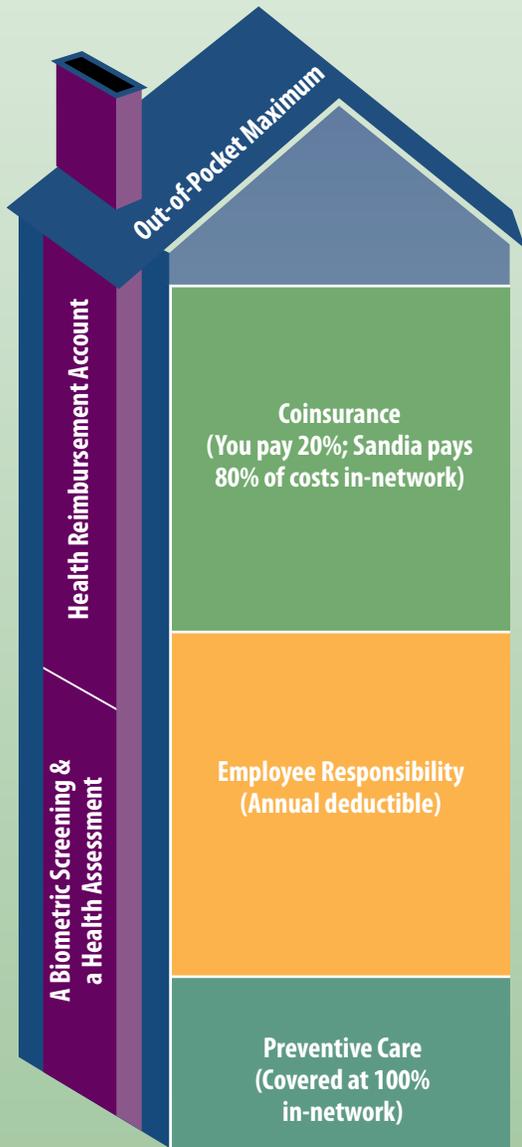


HEALTH REIMBURSEMENT ACCOUNT

- Sandia contributes money on your behalf to your Health Reimbursement Account if you complete a biometric screening and a Health Assessment
- Your account is **tax-free**, and you can use the Sandia contribution to pay for your deductible and other eligible out-of-pocket expenses
- Any unused amounts in your Health Reimbursement Account at the end of the plan year **will be rolled over for use the next year** (or in future years), up to a maximum amount

Easy Steps to Understanding Sandia Total Health

The following illustration shows how the various components of Sandia Total Health work together to form the structure of the program. Here's a look at each level of the house. **Start at the bottom of the page and work your way up!**



Roof: Out-of-Pocket Maximum.

This is the maximum amount you'll pay out of your pocket for medical care during a plan year. **Once you reach this maximum, your remaining eligible expenses for the year are covered at 100%.** The out-of-pocket maximum protects you from unusually high medical expenses you may have because of a catastrophic injury or illness. The out-of-pocket maximum is based on the coverage tier you elect. There is a separate out-of-pocket maximum of \$1,500 per person for prescription drugs purchased in-network.

In-Network Out-of-Pocket Maximum		
Employee	Employee + Spouse or Child(ren)	Employee + Spouse and Child(ren)
\$2,750/year	\$5,500/year	\$8,250/year

Second Floor: Medical Plan Coinsurance.

Once you meet your deductible, Sandia Total Health pays 80% of your covered medical care costs and you pay 20% in-network. This shared cost is called "coinsurance."

First Floor: Employee Responsibility (Annual Deductible).

When you have a medical expense, you must first satisfy the deductible before you and Sandia start sharing the cost of covered medical services. Your annual deductible amount will be based on the coverage tier you elect. However, once one person in your family hits the \$750 deductible for his or her own expenses, coinsurance **for that person** begins immediately, even if your family hasn't hit the total family deductible.

Using your Health Reimbursement Account (HRA) toward your annual deductible:

Your HRA can be used to help pay your deductible and other covered expenses. If you use up all of your HRA, you're responsible for paying your medical expenses until you satisfy any remaining portion of your deductible.

In-Network Deductible		
Employee	Employee + Spouse or Child(ren)	Employee + Spouse and Child(ren)
\$750/year	\$1,500/year (\$750 per person)	\$2,250/year (\$750 per person)

Pillar: Health Reimbursement Account (HRA).

Sandia contributes money to your HRA each year if you complete a biometric screening and a Health Assessment. The contribution amounts are \$250, \$500, or \$750 per year, depending on your coverage tier.* Your account is a **tax-free** way for you to pay for certain medical and pharmacy expenses.

HRA Contribution		
Employee	Employee + Spouse or Child(ren)	Employee + Spouse and Child(ren)
\$250/year	\$500/year	\$750/year

Foundation: Preventive Care.

Preventive care includes services like annual physical exams and certain cancer screenings. Preventive care is covered at 100%, with no deductible to meet, as long as you visit an in-network provider and the provider codes the service as "preventive." Prevention is important because it helps with early detection of health conditions and may help you better manage health risks. Preventive care is key to maintaining physical and mental wellness. Please note that you do not have to get preventive care to use the other benefits provided by the plan or to get your Sandia HRA contribution.

* HRA contribution amounts shown apply to the employee portion of the contribution only. Sandia will make a contribution to your HRA for your enrolled dependents even if you do not complete a biometric screening and the Health Assessment. However, the contribution will be smaller. We encourage you to meet the requirements, so you receive the full contribution from Sandia.

A Closer Look at the Health Reimbursement Account (HRA)

Sandia will contribute on your behalf to your HRA to help you pay your deductible and your share of out-of-pocket Sandia Total Health expenses, **if you meet the following requirements:**

1. Enroll in Sandia Total Health.
2. Complete your biometric screening (such as blood pressure and cholesterol testing) before December 31, 2009. For detailed information about the Health Assessment and where to go for screenings, see page 7.
3. Take a confidential Health Assessment (a questionnaire about your health) before December 31, 2009.

Once you meet the requirements listed above, UHC will set up your personal HRA.

Here's how your HRA will work:

- When you or your dependent seeks eligible medical services and presents a UHC identification card, the provider will file a medical claim through the UHC system.
- If the service requires the deductible or coinsurance (not applicable for preventive care, which is covered at 100% in-network), UHC will look to see if you have funds in your HRA. If you do, UHC will pull your share of the cost of the service from your HRA and pay the provider directly.
- Once your UHC claim is processed, all claim and HRA activity will be documented and sent to you on your UHC Health Statement. You should review this statement for accuracy and contact UHC if you think there are errors.
- A debit card will also be issued for you to use for eligible prescription drug expenses when your coinsurance is due. You may still submit a claim manually if you wish.

Maximize your Sandia HRA contribution

If you do not get your health screening or take the Health Assessment by December 31, 2009, Sandia will contribute \$250 less to your HRA than if you get the biometric screening and take the Health Assessment. If you have employee-only coverage, this means you will not receive any contribution from Sandia. If you have dependent coverage, you'll receive a smaller Sandia contribution to your HRA (\$250 less than the full contribution).



Examples – How the HRA Works for You

Here is how the HRA would work over a three-year period for a Sandian with employee-only coverage who receives in-network services.

YEAR 1

In-Network Medical Expenses

Annual Well Exam	\$ 0
2 Office Visits	\$160
TOTAL	\$160

In-Network Preventive Care Covered at 100% (includes annual well exam)

Health Reimbursement Account – \$250

- Entire \$160 in claims is reimbursed
- **\$250 - \$160 = \$90 is available for rollover to following year**

In-Network Deductible – \$750

- Entire \$160 is subject to deductible, but all \$160 is reimbursed through the HRA

In-Network Coinsurance – You pay 20%, up to \$2,000

- Not applicable this year because deductible is not met

In-Network Out-of-Pocket Maximum – \$2,750 (includes deductible and coinsurance, but not prescription drugs)

- Your costs are 100% covered after out-of-pocket maximum is reached (except for prescription drugs)
- Not applicable this year because maximum is not reached

YEAR 2

In-Network Medical Expenses

Annual Well Exam	\$ 0
1 Office Visit	\$ 80
Laboratory Screening	\$ 85
TOTAL	\$165

In-Network Preventive Care Covered at 100% (includes annual well exam)

Health Reimbursement Account – \$340 (\$250 from Sandia + \$90 rollover)

- Entire \$165 in claims is reimbursed
- **\$340 - \$165 = \$175 is available for rollover to following year**

In-Network Deductible – \$750

- Entire \$165 is subject to deductible, but all is reimbursed through the HRA

In-Network Coinsurance – You pay 20%, up to \$2,000

- Not applicable this year because deductible is not met

In-Network Out-of-Pocket Maximum – \$2,750 (includes deductible and coinsurance, but not prescription drugs)

- Your costs are 100% covered after out-of-pocket maximum is reached (except for prescription drugs)
- Not applicable this year because maximum is not reached

YEAR 3

In-Network Medical Expenses

Annual Well Exam	\$ 0
6 Office Visits	\$ 480
1 X-ray	\$ 500
1 Hospital Stay	\$15,000
TOTAL	\$15,980

In-Network Preventive Care Covered at 100% (includes annual well exam)

Health Reimbursement Account – \$425 (\$250 from Sandia + \$175 rollover)

- First \$425 in claims is reimbursed
- **Since HRA is depleted, no funds are available for rollover to following year**

In-Network Deductible – \$750

- First \$750 is subject to deductible, but \$425 is reimbursed through the HRA
- Remaining \$325 paid by employee, then coinsurance applies

In-Network Coinsurance – You pay 20%, up to \$2,000

- Coinsurance applies because deductible is met

In-Network Out-of-Pocket Maximum – \$2,750 (includes deductible and coinsurance, but not prescription drugs)

- With the HRA reimbursement, your actual out-of-pocket costs are \$325 + \$2,000 = \$2,325 (out of \$15,980 in total expenses)
- **The remaining \$13,655 (\$15,980 - \$2,325) of expenses is covered at 100% for the remainder of the calendar year (except for prescription drugs)**

Health Reimbursement Account (HRA) vs. Healthcare Flexible Spending Account (FSA)

Sandia will continue to offer a Healthcare FSA in addition to the HRA, and both accounts will be administered by UnitedHealthcare.* Here are some key differences:

	HRA	FSA
Eligibility	To participate, you must enroll in Sandia Total Health and complete your health screening <i>and</i> the Health Assessment. You do not need to estimate any contribution amount; Sandia contributes for you.	You may enroll in an FSA regardless of which healthcare plan you choose. You must estimate how much you want to contribute to your FSA for the calendar year, and enroll during Open Enrollment. You can set aside up to \$5,000 per year.
Funding	You earn Sandia's HRA contribution annually by meeting the criteria listed above. The amount Sandia contributes is based on the coverage tier you elect.	You fund your FSA each paycheck, with pre-tax dollars.
Eligible Expenses	If you elect Sandia Total Health, you can use the money in your HRA to pay your share of eligible Sandia Total Health medical and prescription drug expenses, such as the deductible and coinsurance. You may not, however, use the HRA to pay for dental, vision, and over-the-counter drugs. If you have both an HRA and a Healthcare FSA, <i>your HRA will be used first</i> to cover eligible expenses (unless you elect to turn this feature off).	If you are not in Sandia Total Health, you can use the money in your Healthcare FSA to pay for eligible healthcare expenses such as medical, dental, vision, prescription drugs, and over-the-counter drugs. If you elect Sandia Total Health, you can use your Healthcare FSA to pay for health-related expenses not covered by the HRA, such as dental, vision, and over-the-counter drugs.
Unused Account Balances	Balances left in your HRA at the end of the year will roll over to your HRA for the next year.	You must use your entire FSA account balance during the year. Money left in the account does not roll over at the end of the year; you will lose this money.

* Day Care Flexible Spending Accounts will continue to be available and managed by PayFlex.



How to Participate in a Biometric Screening and Take the **Health Assessment**

If you've already completed your biometric screening and/or taken the Health Assessment *in 2009*... CONGRATULATIONS! If not, you have **until December 31, 2009*** to complete **both of them to be eligible for the full Sandia HRA contribution** should you choose to enroll in Sandia Total Health.

Step 1: Complete the Biometric Screening before December 31, 2009*

There are several ways to obtain the **free** biometric screening:

Attend an Onsite Screening

New Mexico Onsite Free Biometric Screening

October 22nd, 7:30 a.m. - 9:30 a.m.;
825 Lobby

October 29th, 7:30 a.m. - 9:30 a.m.;
825 Lobby

November 5th, 7:30 a.m. - 9:30 a.m.;
810 Lobby

November 12th, 7:30 a.m. - 9:30 a.m.;
825 Lobby

November 19th, 7:30 a.m. - 9:30 a.m.;
823 Breezeway

Employees in New Mexico

You can attend an **onsite HBE Health Screening**. For a list of times and locations, see the box at left. If you miss the onsite screening, **schedule an appointment** by calling HBE Customer Service at (505) 844-HBES (4237) for an appointment in the Health Services Center, Bldg. 831.

Employees in California

The onsite screening dates in California have passed. If you missed the onsite screening, you can **schedule an appointment** at the Life Design Center by emailing saludca@sandia.gov or by calling (925) 294-3500.

PCP Option

For remote employees or those who are unable to attend the onsite biometric screening, you can always go to your **Primary Care Physician (PCP)** to get your screening. You're required to submit your:

- Fasting glucose
- LDL
- Triglycerides
- Height
- Abdominal circumference
- Total cholesterol
- HDL
- Blood pressure
- Weight

Your PCP should fax or mail the completed report:

Employees in New Mexico and Other Locations

Fax: (505) 844-4091
Attn: Biometric Test Results
Mail to: Sandia HBE/Preventive Health
Attn: Mail Stop 1032
Biometric Test Results
P.O. Box 5800
Albuquerque, NM 87185-1032

Employees in California

Fax: (925) 294-2658
Attn: Biometric Test Results
Mail to: Sandia HBE/CA
Life Design Center/Preventive Health
Attn: Mail Stop 9112
P.O. Box 969
Livermore, CA 94551-0969

Once Sandia has received your biometric screening information from your PCP, Sandia will enter the information into your electronic medical record (EMR). You can always check to make sure the screening information is entered by logging on to your EMR.

Remember to fast **at least 12 hours** before your biometric screening. If you routinely take prescribed medicine, you should still take it before your test.

Step 2: Take the Health Assessment before December 31, 2009*

Employees in New Mexico and Other Locations

Register with the Health, Benefits and Employee Services (HBE)-sponsored iHealth portal at <http://www.sandia-nm.medem.com/home.htm> and complete the Health Assessment. If you attend an onsite biometric screening, you'll receive your screening information by secure email, provided you've registered on iHealth. If not, you'll receive a hard copy of the report. Be sure to enter your screening information into your Health Assessment, so you can get an accurate snapshot of your overall health.

Employees in California

Register with HealthCalc at www.healthcalc.net/online/sandialivermore and complete the Health Assessment. Sandia will enter your biometric screening information into your Health Assessment, so you can get an accurate snapshot of your overall health.

* Please note that you have a 90-day grace period after the required December 31, 2009 deadline, to schedule a visit and see your PCP to get your biometric screening and to complete the Health Assessment.

Make sure your preventive care is coded correctly

If you receive a preventive care service at an in-network provider, the provider should not bill you for that service. It's a good idea to remind your provider to code your visit as preventive care.

Keep in mind that it's solely up to the provider to decide if a service is coded as "preventive" or "diagnostic." Neither Sandia nor UHC can direct the provider to code a service in any particular way. Please contact your provider if you have any questions about the way services are coded.

About Preventive Care

Many problems that start as small health issues — the kind we often ignore — can become serious if they go undetected and untreated. Preventive care can help detect health problems early, making them easier to treat. Getting regular preventive care can help reduce your risk for disease — and lower your healthcare costs by enabling you to avoid expensive drugs or treatments down the road.

Even though getting regular preventive care is clearly beneficial, many of us still aren't taking advantage of this type of care. Out of all Sandians enrolled in a UnitedHealthcare medical plan:

- 39% of the targeted group* participated in a wellness exam
- 41% of the targeted group* participated in a breast cancer screening
- 19% of the targeted group* had a cholesterol screening
- 6% of the targeted group* participated in a prostate cancer screening

But with **Sandia Total Health**, we can increase the number of Sandians receiving this important type of healthcare. That's because ***in-network preventive care — such as annual physicals — is covered 100% with no deductible.***

Prevention is a great way to reduce healthcare costs, since the healthier you are, the less money you spend on healthcare.

*"Targeted group" is defined by the U.S. Preventive Services Task Force as those who should be screened based on age and gender.

What Is Preventive Care?

Sandia has developed guidelines to help you understand which preventive care services are covered and when you should receive this type of care. Some examples of preventive care are:

- Annual well-person, well-child, and well-baby exams
- Blood pressure screenings – only as part of the annual physical
- Cholesterol checks – only as part of the annual physical
- Routine prostate screenings
- Routine mammograms

For Sandia's complete preventive care guidelines, visit the *Take Charge* health benefits page on the HBE site at <http://hbe.sandia.gov>.

More Information

Your primary source of information is Sandia's *Take Charge* benefits page. The page is periodically updated and full of information to help you make smart decisions and to become a better consumer of healthcare. To reach the *Take Charge* page, go to <http://hbe.sandia.gov> and click the *Take Charge* link.

Sandia Corporation's benefit plans are maintained at the discretion of Sandia. They do not create a contract of employment. The plans may be suspended, modified, or discontinued at any time and without prior notice, subject to applicable collective bargaining agreements and except as otherwise provided by applicable law.

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