

WELLNESS FOR LIFE



PALOMAR
POMERADO
HEALTH
SPECIALIZING IN YOU

2012 Benefits Package

WELLNESS FOR LIFE

Palomar Pomerado Health is pleased to present “Wellness for Life,” our 2012 Benefits Package. We appreciate your dedication to making PPH an award-winning hospital district, and we are committed to protecting your health and your future by providing valuable resources and benefits to help you achieve a healthy lifestyle, both at work and at home.

Benefits are a valuable element of the PPH total compensation philosophy, as they are a significant portion of your compensation and can amount up to an additional 40% of your salary. Your benefit needs may vary from year to year and may also differ from the needs of your co-workers. This 2012 Benefits brochure is designed to meet your changing needs and gives you the ability to be informed and alter your elections if necessary after a qualifying event or during each annual open enrollment period. That’s why taking the time to read this benefits information is important to you and your family. Please review this guide carefully to discover the generous financial, health and professional benefits PPH makes available to you, our valued employee.

HEALTH & WELLNESS

Wellness for Life is a philosophy encouraged and shared throughout the organization around healthy eating and behaviors, exercise and work/life balance. PPH support for Health & Wellness begins with a range of medical, dental, and vision insurance plans. You’ll also enjoy paid time off for vacations and access to a variety of services offered specifically to help you meet your personal health and wellness goals.

FINANCIAL WELL-BEING

Financial Well-Being is a combination of competitive and fair wages, generous retirement plans, income protection and additional programs to enhance your overall financial well-being.

PROFESSIONAL DEVELOPMENT

PPH encourages your growth and professional development by making numerous programs and educational opportunities available to you, including certification renewal, leadership development, tuition reimbursement and continuing-education seminar funds. These are offered in a culture of rewards and recognition where you are acknowledged for your work and effort.

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ELIGIBILITY/WAITING PERIOD

For new hires, benefits are effective on the first of the month following 60 days of employment in a benefit-eligible classification. If you fail to enroll within 31 days of your effective date, you will only receive basic, employer-provided benefits of life and disability (if eligible). You will not be eligible to enroll in the insurance plans and supplementary benefits until the next annual open enrollment period.

WHO IS ELIGIBLE

You are eligible for PPH benefits if you are:

- A regular, full-time employee, scheduled to work at least 80 hours per pay period (72 hours per pay period if you work 12-hour shifts)
- A regular, part-time II employee, scheduled to work at least 60 hours per pay period
- A regular, part-time I employee, scheduled to work at least 40 hours per pay period (or 36 hours per pay period if you work 12-hour shifts)

Your dependents are also eligible* to be covered under the PPH insurance benefits if they are:

- Your spouse or domestic partner
- Your child(ren) up to age 26

- A dependent child who is considered to be physically or mentally disabled

*Dependent verification documents are required for all dependents you are covering for the first time under your PPH benefits. Documentation is not required in subsequent years after initial documentation is established, unless specifically requested during a periodic dependent eligibility audit.

CHANGING YOUR BENEFITS

Once enrolled in health, dental, vision, flexible spending account plans or other pre-tax insurance plans, the benefits you choose will remain in effect throughout the plan year (January 1 through December 31). You may not change your benefit elections, unless you have a qualified change in status. A qualified change in status occurs if:

- You get married or divorced
- You meet qualifications for domestic partnership
- You add a dependent child through birth, marriage, domestic partnership, legal adoption or placement in your home for adoption, or change in custody
- One of your dependents dies
- Your spouse has a change in employment status that affects benefit coverage

- You change your employment status where there is gain in eligibility (for example, from part-time I to part-time II or full-time where disability benefits become eligible)
- You experience a loss of other group health coverage

Changes in benefit coverage must be related to a qualified change in status. Any coverage changes must be made within 31 days of the qualified change in status and will be made effective on the date of event.

If you do not make coverage changes within 31 days of the status change (e.g., adding a child within 31 days of birth), you must wait until the next open enrollment period, effective January 1.

HEALTH & WELLNESS

HEALTH & WELLNESS

Your health and wellness are important to you and to PPH. To help achieve your health and wellness goals, PPH's Benefits Program offers a variety of Support Services including an employee assistance program, discounts to fitness clubs, health education classes on topics such as smoking cessation, weight loss, etc. You are also invited to participate in a free health risk assessment that will help identify areas of focus or concern.

PASSPORT TO WELLNESS PROGRAM

At PPH, the care and comfort of our patients and the health and wellness of our employees are our primary concerns. This initiative is designed to raise awareness of health and wellness issues, and encourage improvement in the overall health of our workforce through participation in various "passport visa" activities. From educational opportunities to physical activity encouragement programs, each passport activity was created to help put you on the road to better health. And, as an added incentive, employees enrolled in PPH's health insurance plan who successfully complete all of the required "visas" will receive a reduction in the following year's health insurance premium! Information about the "Passport" program is available via www.PPH.net in the Human Resources section.

WORK/LIFE BALANCE

Time away from work is important to your overall health and well-being. PPH pro-

vides you with paid time off for planned absences and vacations, leaves of absences when needed to meet your personal and family needs, and a variety of entertainment discounts. Entertainment discounts cover everything from Disneyland to local movie theatres, to attractions across the country. Access the PPH HR web page for a full listing. All of these programs help you maintain overall balance in your life:

- Medical, dental and vision insurance
- Employee Assistance Programs
- Discounts to fitness and health clubs
- PTO for planned absences and vacations
- Leave of absence, including family and medical leave
- Free Health Assessment
- Health education programs
- Kick the Habit smoking cessation program
- Discount at the Women's Health Connection boutique
- Discounted entertainment tickets

EMPLOYEE ASSISTANCE PROGRAM (EAP)

Many things can come up in your life that you may need some assistance to work through. PPH provides an Employee Assistance Program (EAP) that is offered through Anthem Blue Cross to all employees. This benefit provides six visits per family member per year per incident with a professional counselor at no cost. The EAP can also assist with referrals for con-

cerns with elder care, day care, financial counseling, etc. It is also a source of available resources regarding parenting, aging and finding balance in your life.

MEDICAL BENEFITS

You have a choice of two medical plans to meet your needs — the HMO and the PPO plan. Sharp Health Plan administers the HMO plan and partners with Meritain Health to administer the NationCare PPO plan. Please note that there are two separate processes, billings, identification cards, customer service assistance and pharmacy programs between the HMO and the PPO plans. You cannot talk to the HMO plan about a PPO billing question and vice versa.

HMO (HEALTH MAINTENANCE ORGANIZATION) PLAN

Sharp Health Plan providers are located throughout San Diego and southern Riverside counties. The Plan has several physician groups (called Plan Medical Groups or PMGs) from which you and each of your dependents will choose your primary care physician (PCP). These groups include all of the Sharp providers, Arch Health Partners, Graybill, and two Children's physician groups. You receive specialty care and access to hospitals and urgent care centers from the providers that are affiliated with your PMG. When you access care, you simply pay a \$10 copayment, if applicable. You also have access to any of the many pharmacies in Sharp Health Plan's network. The HMO network provides access to 800 primary care physicians, 1,200 specialists and 12 hospitals including PPH and Sharp HealthCare

facilities and medical groups, as well as independently-contracted primary care physicians and specialists. To find a doctor in our Blue Choice Network, you can visit www.SharpHealthPlan.com.

Pharmacy

You may obtain covered outpatient prescription drugs from Sharp Health Plan contracted pharmacies, including Target, Costco, CVS, Albertson's, Von's and many others. If the drug is covered by Sharp Health Plan, you are responsible only for the applicable copayment, and you will never pay more than the retail price. You can find information on the drugs covered by Sharp Health Plan at www.SharpHealthPlan.com. Sharp Health Plan does not cover a brand-name drug when a generic is available, unless there is a medical reason why the generic can-

not be used. Generics are required by the Food and Drug Administration (FDA) to have the same active ingredient, strength, dosage form and route of administration as their brand name equivalents. Therefore, you can feel confident when taking the generic form of your medication. Certain specialty medications are provided exclusively by Diplomat Specialty Pharmacy. Members also have the option of using mail order pharmacy services for maintenance medications, which are available for up to a 90-day supply with only two copayments. To order, you can visit www.wellpartner.com.

Customer Care

From questions about your benefits, to inquiries about your physician or filling a prescription, Sharp Health Plan is available to ensure that you have the best

health care experience possible. The Customer Care team is based here in San Diego. You can reach them from 8:00 a.m. to 6:00 p.m., Monday through Friday by phone at (619) 228-2300 or toll-free at (800) 359-2002, or via e-mail at customer.service@sharp.com.

Sharp Nurse Connection®

This after-hours telephone service will put you in touch with registered nurses who can provide medical advice and direction regarding health care questions and concerns. They are available to assist you from 5 p.m. to 8 a.m., Monday to Friday and 24 hours a day on weekends. After regular business hours, you can contact Sharp Nurse Connection® directly at (800) 767-4277, or by calling Customer Care and selecting the appropriate prompt.

Global Emergency Services

In addition to coverage for 24-hour emergency care worldwide, HMO Plan members also have access to a unique global emergency services program through Assist America at no additional cost. These services are available for members who face a medical emergency while traveling 100 miles or more away from their permanent residence or in a foreign country. Assist America will immediately connect members to doctors, hospitals, pharmacies and other health care services. To learn more about this service, please call Customer Care at (619) 228-2300 or toll-free at (800) 359-2002, 8 a.m. to 6 p.m., Monday to Friday.

OVERVIEW OF MEDICAL PREMIUMS

Cost to You (Per Pay Period Rate, Pre-Tax Employee Contribution)

COVERAGE CATEGORY	Full Time		Part Time II		Part Time I	
	HMO	PPO	HMO	PPO	HMO	PPO
Employee Only	\$12.65	\$48.18	\$20.38	\$59.38	\$25.49	\$74.23
Employee & SP or DP*	\$61.92	\$120.54	\$69.52	\$132.00	\$87.22	\$165.00
Employee & Child(ren)	\$55.64	\$111.25	\$63.04	\$122.06	\$78.81	\$152.55
Employee & Family*	\$97.57	\$172.92	\$105.03	\$183.84	\$131.30	\$229.80
No Medical**	\$40.52 credit per pay period		\$32.41 credit per pay period		\$20.26 credit per pay period	

* SP=Spouse, DP=Domestic Partner. Premiums for domestic partner or child(ren) of domestic partner, if employee has single coverage, are deducted on a post tax basis. An Affidavit of Domestic Partnership is required.

**Must be accompanied by a copy of your current medical insurance card.

OVERVIEW OF MEDICAL COVERAGE

Service	HMO
Who Directs and Provides Your Care	Your PCP or PCP referred provider
Annual Deductible	\$0
Annual Out-of-Pocket Maximum (includes all copayments except RX, Chiropractic and Acupuncture)	\$1,000/person, \$2,000/family
Lifetime Maximum	Unlimited
Physician Office Visits	\$10 copay
Outpatient Mental Health	\$10 copay
Hospitalization	HMO hospitals only
Inpatient Semi-Private Room	\$150/admission (covered by PPH if services received at PPH)
Outpatient Surgery	\$75/surgery (covered by PPH if services received at PPH)
Inpatient Mental Health	\$150/admission (covered by PPH if services received at PPH)
Ambulance Services (with hospital admission or emergency services)	100% coverage
Emergency Room	\$50 copay
Urgent Care	\$25 copay
PPH expresscare	Most services covered by PPH
Diagnostic X-Ray and Lab	Your PCP or PCP referred provider
Rehab Therapy (physical, occupational, speech, cardiac)	\$10 copay

PPO

Tier 1 (Preferred Provider)	Tier 2 (Out of Preferred Network)
Any Network provider	Any licensed provider
\$0	\$250/person, \$750/family
\$1,000/person, \$2,000/family	\$3,000/person, \$6,000/family
Unlimited	Unlimited
\$15 copay	80% coverage after deductible*
\$15 copay	80% coverage after deductible*
Tier 1 PPO hospitals only	Any hospital
\$150/admission (covered by PPH if services received at PPH)	80% coverage after deductible*
\$75/admission (covered by PPH if services received at PPH)	80% coverage after deductible*
\$150/admission (covered by PPH if services received at PPH)	80% coverage after deductible*
100% coverage	100% coverage
\$50 copay	\$50 copay
\$25 copay	\$25 copay
Most services covered by PPH	Most services covered by PPH
Tier 1 PPO referred Provider	Any licensed provider
\$10 copay	80% coverage after deductible

Other Specified Care

Chiropractic/Acupuncture (ASH)	\$10 copay for an in-network provider	\$10 copay for an in-network provider	\$10 copay for an in-network provider
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*If you use a First Health Network provider, you will likely save money. Non-First Health providers may cause you to be billed for the difference between the approved amount and the provider's billed amount (in addition to any applicable coinsurance or deductible).

PRESCRIPTION DRUGS

	HMO	PPO Pharmacy Benefits
Formulary	Generic = \$10 copay/prescription; Brand Name = \$20 copay/prescription	Generic = \$10 copay/prescription; Brand Name = \$20 copay/prescription
Non-Formulary	\$40 copay per prescription	\$40 copay per prescription
Supply	Up to a 30 day supply	Up to a 34 day supply
Mail Order		
Formulary	Generic = \$20 copay/prescription; Brand Name = \$40 copay/prescription	Generic = \$20 copay/prescription; Brand Name = \$40 copay/prescription
Non-Formulary	\$80 copay per prescription	\$80 copay per prescription
Supply	Up to a 90 day supply	Up to a 90 day supply

NATIONCARE PPO (PREFERRED PROVIDER ORGANIZATION) PLAN

With the NationCare PPO plan, there are two tiers of coverage, the preferred network (Tier 1) and out of network (Tier 2). You can access care in either tier at any-time. Your out-of-pocket costs will vary based on the tier you use.

Tier 1: For many services, your only expense will be a copayment. There is no deductible and the plan covers many services at 100%.

The physician you choose as your personal doctor is called your Primary Care Physician (PCP). He or she is responsible for your health care needs, including if you need to be admitted to the hospital or referred to a specialist. It is optional for you to select a Primary Care Physician in

the first tier of this PPO Plan. Because your PCP knows your medical history and can direct you to the most appropriate course of treatment, it is advised that you select a PCP to maximize your quality of care.

Tier 2: Most medically necessary services are covered at 80%, after you satisfy the deductible. If you use a First Health network provider, you will not be balanced billed. You may also obtain services from an out of network provider, however, you may be billed for the difference between the approved amount and the provider's billed amount (in addition to any applicable coinsurance or deductible).

Pharmacy

The PPO pharmacy program includes a mandatory generics program but does not include step therapy or prior autho-

rization provisions. Instead, if you choose to obtain a brand or non-formulary drug when a generic equivalent is available, you will pay the applicable brand or non-formulary copayment plus the difference in cost between the brand or non-formulary drug and its generic equivalent.

Prescriptions must be filled at a participating pharmacy in the network, which includes many of the large chain pharmacies. The pharmacy benefit is administered according to the list of specific covered drugs.

You may also obtain prescriptions through the PPO Mail Pharmacy Service program. This program allows you to order a 90-day supply of medications for only a two-month copayment. This program only applies to maintenance medications that are taken on a daily basis.

HEALTH & WELLNESS

Chiropractic and Acupuncture Services

Sharp Health Plan has partnered with American Specialty Health (ASH) to provide you access to a national network of licensed and credentialed chiropractors and acupuncturists. You do not need a referral from your primary care physician to access chiropractors or acupuncturists for covered services under this supplemental benefit plan; simply call any in-network chiropractor or acupuncturist whenever you need to access care. You can contact ASH at (800) 678-9133 to find a provider. You are eligible for up to 40 visits combined from either a participating chiropractor or acupuncturist per calendar year for consultation, treatment and diagnostic testing. You pay a \$10 copayment to the provider for each visit.

Best Health Wellness Program

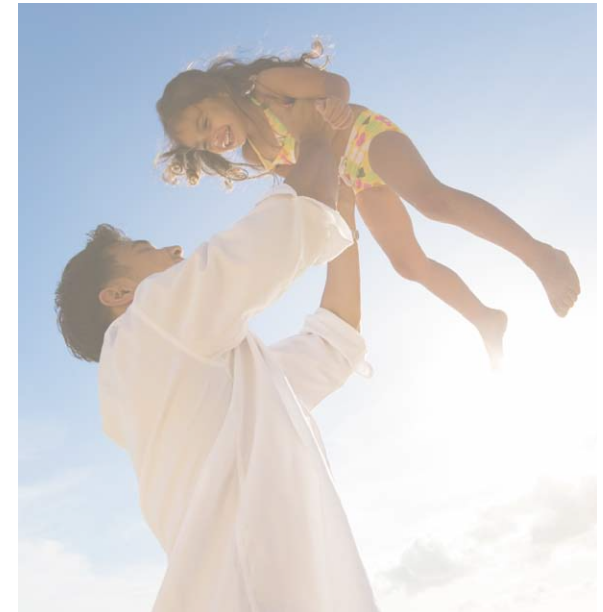
Best Health is a comprehensive wellness program available to all Sharp Health Plan members. Best Health provides you with a wealth of resources to reach your own unique wellness goals:

- You can take an online **health risk assessment** (HRA) to help you identify opportunities for improving your health, get a baseline for measuring your progress and access resources that are customized to your individual needs.
- You can choose from a variety of **multi-week fitness plans**, create your own custom exercise routine, or simply use the cardio log to track your physical activities throughout the week.

- You can **create customized meal plans** with printable shopping lists, based on your nutritional needs and then track calories using your personal food log.
- You can access articles and video clips to improve your overall well-being from the online **health library**.
- You can choose from a variety of **wellness workshops** on topics like nutrition, work/life balance or better managing a health condition. Learn on your own time, at your own pace.
- You can work with a **Best Health coach** who will address your needs and help you make a positive change. Best Health Coaching offers 6-to 12-week phone-based programs in 5 areas: weight management, smoking cessation, healthy eating, physical activity, and stress management.

WELLNESS DISCOUNTS

You can receive discounts of 15 to 40 percent off suggested retail prices on more than 2,400 health and wellness products including vitamins, herbal supplements, health-related books, fitness products and skin care items. Discounts of up to 25% off standard rates are available on alternative care services from an extensive, credentialed network of chiropractors, acupuncturists, massage therapists and dieticians — all of whom you may visit directly, without a physician referral.



VISION CARE

Vision care benefits are available for employees and their dependents. Eye exams are available once a year for a low copayment with lenses paid in full. A vision hardware (frames) allowance is available once every 24 months. Lenses and contact lenses are available once every 24 months but may be available at 12 months if there are certain types of prescription changes. All services are provided through a Medical Eye Services (MES) provider. After your eye exam with an authorized provider, obtain a copy of your lens prescription and fill the prescription through any one of the MES participating providers. Vision insurance cards are not required and will not be provided but are available on the MES website. A 20% discount is available for cosmetic extras, such as tints, coatings and other add-on charges to standard lenses, after covered services are rendered. The discount may be applied to charges for the frame or contact lenses (except disposable or replacement contact lenses) over the stated allowances. The 20% discount also applies to additional pairs of glasses and/or pairs of standard contact lenses. To determine whether a provider offers the 20% discount, call MES Vision or visit www.MESVision.com for updated providers. Discounts are available through TLCVision for conventional and custom LASIK procedures with the TLCVision Advantage Program. Please visit www.MESVision.com for updated providers.

OVERVIEW OF VISION OPTIONS

Service	Participating Provider	Other Providers
Vision Exams	\$10 copay	\$10 copay
Ophthalmologic Examination	Paid in full	\$40 allowance out-of-network
Optometric Examination	Paid in full	\$40 allowance out-of-network
Frames*	\$110 allowance for in-network	\$40 allowance out-of-network
Lenses (single)	Paid in full	\$30 allowance
Lenses (Bifocal)	Paid in full	\$50 allowance
Lenses (Trifocal)	Paid in full	\$65 allowance
Frequency	Once every 24 months	Once every 24 months
Contact Lenses Medically Necessary Cosmetic or Convenience	Paid in full \$100 allowance for in-network	\$250 allowance for out-of-network \$100 allowance for out-of-network

Cost to You (Per Pay Period Rate, Pre-Tax Employee Contribution)

COVERAGE CATEGORY	Full Time	Part Time II	Part Time I
Employee Only	\$0.13	\$0.21	\$0.26
Employee & SP or DP**	\$0.64	\$0.72	\$0.90
Employee & Child(ren)	\$0.58	\$0.65	\$0.82
Employee & Family*	\$1.01	\$1.09	\$1.36

* Retail frame benefits will be converted to wholesale equivalent prices at certain provider locations. See the MES website for further information.

** SP=Spouse, DP=Domestic Partner. Premiums for domestic partner or child(ren) of domestic partner, if employee has single coverage, are deducted on a post tax basis. An Affidavit of Domestic Partnership is required.

HEALTH & WELLNESS

OVERVIEW OF DENTAL OPTIONS

Calendar Year Deductible	Participating Provider	Other Providers	
Per Individual	\$50	\$75	
Family Deductible Maximum	\$150	\$225	
Deductible waived for diagnostic/preventative	Yes	Yes	
Diagnostic/Preventative Services (oral exams, cleaning, bitewing x-rays) 2 exams/cleanings per 12-month period, Sealants (for dependents up to age 15) 1 per 36-month period	100%	80%	
Basic Services			
Extractions, fillings, endodontic/periodontal, repair of crowns, bridges, dentures	90%	70%	
Major Services			
Crowns, jackets, and cast restorations, fixed bridges, partial & complete dentures	60%	50%	
Maximum Benefit per year			
Per Individual (excluding Orthodontia)	\$2,000		
Orthodontic Services			
Maximum Lifetime Orthodontic Benefit (per individual)	50% up to a \$1,500 Benefit		
Cost to You (Per Pay Period Rate, Pre-Tax Employee Contribution)			
COVERAGE CATEGORY	Full Time	Part Time II	Part Time I
Employee Only	\$1.54	\$2.50	\$3.13
Employee & SP or DP*	\$6.72	\$7.58	\$9.47
Employee & Child(ren)	\$9.44	\$10.70	\$13.37
Employee & Family*	\$15.91	\$17.13	\$21.41
No Dental	\$5.64 credit per pay period	\$4.51 credit per pay period	\$2.82 credit per pay period

* SP=Spouse, DP=Domestic Partner. Premiums for domestic partner or child(ren) of domestic partner, if employee has single coverage, are deducted on a post tax basis. An Affidavit of Domestic Partnership is required.

DENTAL BENEFITS

Even though we have made changes to our medical insurance plan carrier, we are staying with CIGNA to provide our Dental plan. Good health includes healthy teeth and gums. With PPH benefits, you have a great deal of flexibility when you choose dental coverage. You can choose to receive your care from a preferred provider (through CIGNA Dental) or any dentist you choose.

You will receive a higher level of coverage when seeing a CIGNA dentist. Practice prevention and take advantage of the plan's NO COST preventative care services when you visit an in-network dental provider. Most dental offices will file a claim for you. However, if your dental office does not file claims on your behalf, you will need to submit your dental claims to the dental claims administrator (CIGNA). Dental cards are not required and will not be provided but are available on the CIGNA website. You will also still have access to the MyCigna.com website, where you will have access to the Dental tab only. The medical tab will no longer be available. On the MyCigna.com website, you will have access to view your dental claims, Explanation of Benefits (EOBs), and have access to Healthy Rewards®.

What can CIGNA Dental do for you?

- Practice prevention and take advantage of your plan's preventive care services — most are covered at low cost or no cost to you.
- Use myCIGNA.com or call (800) 244-6224 to find out what you need to know about your dental plan.
- Estimate your dental care costs and measure your risk for cavities and gum disease with easy-to-use tools available on myCIGNA.com.
- Enjoy discounts on health-related products and services through CIGNA Healthy Rewards®.

Healthy Rewards is a value-added program that promotes healthy lifestyles and provides savings for members on health and wellness products and services. Through Healthy Rewards, members have access to a nationwide network of more than 50,000 providers. Programs include vision and hearing care, fitness clubs, weight management and nutrition, books and magazines, dental products, and alternative medicine. They include names you recognize such as: Weight Watchers, Jenny Craig, Yoga Journal, SpaFinder, drugstore.com, Mayo Clinic, LensCrafters, and Curves, etc. Members can save up to 60% on health products and services. Healthy Rewards is a discount program, not a covered benefit or insurance program. Plan members pay for services on their own.

How our plan works:

Whether you choose a dentist in the CIGNA Dental Core Network or outside the network, your coverage includes a wide range of eligible services after you meet your deductible:

- Preventive care* (cleanings, X-Rays, and more)
- Basic care (fillings, basic restorative work)
- Major services (bridges, crowns, root canals, and more)
- Orthodontics (some plans may include orthodontic coverage for children and adults)

* deductible does not apply

And there is more:

- Some diagnostic and preventive care procedures are covered at no cost or low cost to you.
- For other services, you will pay a percentage of the cost — or co-insurance amount — to the dentist at the time of service.
- You don't need an ID card to receive dental care, but one is available on the CIGNA website.
- If you visit a dentist or specialist for a second opinion, CIGNA will reimburse you according to our plan coverage.
- You don't need to select a primary care dentist.
- You don't need a referral to receive care from a specialist.



FINANCIAL WELL-BEING

COMPENSATION

PPH benefits are part of a comprehensive total compensation program. PPH is committed to offering a compensation plan that is equitable, competitive, and compliant with legal, union and regulatory guidelines, to help you remain financially sound. This applies to all pay practices, including base pay, differentials and our employee incentive plan. The employee incentive plan is designed so that everyone shares in the successes of PPH.

Below is a list of some of the ways that PPH provides for your financial well-being:

- Competitive and fair wages
- Employee incentive plan
- Shift differentials
- Stand-by and call-in pay

Salary surveys are conducted on an annual basis to ensure that PPH continues to pay a fair and competitive salary in all positions. Changes, if needed, are made on an annual basis.

Information on differentials, stand-by pay, and other related topics can be found in PPH procedures which are published and

available to all employees on Lucidoc via www.PPH.net.

Incentive Compensation

PPH believes that everyone contributes to the overall success of the organization; therefore, everyone shares in the success. When PPH meets its financial goals, employees are eligible for an incentive bonus based on organizational and/or department-level objectives, which are determined each year by PPH leadership and approved by the PPH board. These are defined and communicated at the beginning of each fiscal year.

PREPARING FOR THE FUTURE

While insurance coverage can help you deal with those day-to-day problems or emergencies that arise, you will still want to plan for your financial well-being now and into the future. PPH provides you with an exceptional PPH-paid pension plan and a deferred compensation plan with matching contributions.

More information on these plans is available via www.PPH.net in the Human Resources section.

RETIREMENT PLANS

Are you looking forward to the freedom and flexibility retirement brings? It's a golden opportunity to do the things you've never had time to do. That's why it's important to provide for retirement — so you'll have the resources to do what you want and the peace of mind financial security brings. PPH offers two plans to accomplish that goal.

457 DEFERRED COMPENSATION PLAN (PRE-TAX)

This pre-tax retirement savings plan is administered by Fidelity Investments. You may choose from a variety of investments (everything from aggressive to conservative), and decide on a per pay period contribution percent that is best for you. You can join this plan at the beginning of any month. Per-diem, part-time I, part-time II or full-time employees are eligible to participate. However, per-diem employees will not be eligible to receive the matching contribution from PPH. The percent you contribute can be changed any pay period by contacting Fidelity Investments. Once you have met eligibility for the Money Pur-

OVERVIEW OF 457 DEFERRED COMPENSATION MATCH PLAN

Your Contribution

Less than 2%

2%

More than 2%

1 - 9 Years of Service

\$0.50 for each \$1.00 you contribute

\$0.50 for each \$1.00 you contribute

\$0.50 for each \$1.00 you contribute up to 2% of your income

10 - 15 Years of Service

\$1.00 for each \$1.00 you contribute

\$1.00 for each \$1.00 you contribute

\$1.00 for each \$1.00 you contribute up to 2% of your income

16+ Years of Service

\$1.50 for each \$1.00 you contribute

\$1.50 for each \$1.00 you contribute

\$1.50 for each \$1.00 you contribute up to 2% of your income

chase Pension Plan 401(a), PPH will begin matching a portion of your 457 Deferred Compensation contribution based on a formula described in the table on page 11. The match percent is determined on your years of vested service, with a minimum of 1,000 hours worked in each anniversary year. The maximum contribution is determined each year by the IRS. There is also an additional “catch-up” provision available for employees aged 50 or above. These limits are communicated once they have been announced by the IRS.

Money Purchase Pension Plan - 401(a)

After one year of service with 1,000 hours worked in that anniversary year, PPH will contribute an amount currently equal to 6.5% of your gross earnings for each pay period through December 31, 2012, and resuming the regular 6.0% beginning January 1, 2013. After 15 years of participation in the plan, the contribution will increase to an additional .5% of your per pay period gross earnings over the established contribution level in effect at the time. You have the ability to choose from a variety of Fidelity investments that best meet your retirement planning needs. This plan is available to part-time I, part-time II and full-time employees. Participation is automatic — PPH begins making contributions beginning the pay period after you meet the eligibility requirements.

In addition to the contributions that are made by PPH on your behalf, you may make voluntary contributions to the plan of up to 12% of your gross earnings. These contributions are after-tax and don't change the amount provided by PPH.

INCOME PROTECTION

This level of benefits provides for personal protection in the event of unforeseen problems or emergencies. It provides opportunities to save money and in some instances paying less in taxes. PPH contributes to many of these plans to ensure these benefits are affordable and flexible to meet your needs. Some of the programs offered to you by PPH include:

- PTO for unexpected absences
- Short-term and long-term disability
- Basic life insurance
- Supplemental life insurance
- Spouse and child life insurance
- Accidental Death & Dismemberment (AD&D) coverage
- Worker's compensation
- Personal Accident Expense Plan
- Cancer Protection Plan
- Hospital Confinement Indemnity
- Travel accident coverage

PROGRAMS TO ENHANCE FINANCIAL WELL-BEING

PPH is committed to offering you programs to further strengthen your overall financial well-being. Some of the programs include:

- College Savings Plan
- Pre-paid Legal
- Debt/credit counseling
- Social Security
- Flexible Spending Accounts
- Deferred Compensation

PERSONAL TIME OFF (PTO)

Personal time off is designed to provide you with compensated time away from your regular assignment in order to ensure your physical and mental well-being. PTO is used for scheduled time off, unscheduled time off (sick leave, doctor's appointments, etc.) and for holidays. Observed holidays include: New Year's Day, President's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day. You begin accruing PTO in the pay period in which you complete your three-month introductory period. Your PTO Anniversary Date is based on the date you became eligible to receive PTO. PTO accrues on eligible hours worked in a pay period, up to a maximum of 80 hours, based on the following table:

PTO Anniversary Date	Hours Accrued Per Year (Full-Time)	Maximum Accrual (Full-Time)
0-5 years	219.0 hours	520.0 hours
6-10 years	261.5 hours	520.0 hours
10+ years	304.0 hours	520.0 hours

Note: This is an example of the PTO accrual schedule and applies to most positions at PPH. For complete details, see the Personal Time Off procedure in Lucidoc on the PPH Intranet.

Cash in Lieu of PTO

When you are initially eligible for PTO, or during any open enrollment period, you may elect to reduce your PTO accrual and receive a 5% premium on eligible pay types. For full-time employees, the PTO reduction is approximately 15 days per year. The number of days for part time employees will vary based on actual hours worked.

FINANCIAL WELL-BEING

LIFE INSURANCE

PPH recognizes the importance of life insurance protection and provides you with basic life and Accidental Death and Dismemberment (AD&D) insurance coverage of 1x your annual salary at no cost to you. You must complete the Life Insurance Beneficiary Designation section of the enrollment form or online through Lawson Employee Self Service after your effective date of coverage by clicking on the beneficiary link. This link is available to you at any time for updates.

Supplemental Life Insurance

In addition to the 1x annual salary in basic life insurance provided to you, you may purchase additional life insurance protection up to four times your base annual pay or \$1,250,000 (whichever is less), so that you may choose the coverage you and your family need. Accidental Death and Dismemberment (AD&D) coverage is automatically included as part of your life insurance election. The cost of supplemental life insurance is determined using your current base salary and your age on your effective date and will recalculate on January 1 of each year.

Spouse Life Insurance

Employee life insurance protects your dependents in the event of your death. You can also elect Spouse Life and AD&D coverage, which protects you in the event of your spouse's death. Spouse coverage may not exceed the lesser of 50% of your total coverage (basic life + supplemental life) or \$200,000. The cost of Spouse Life

insurance is determined using your current base salary and your spouse's age on your effective date and will recalculate on January 1 of each year.

Evidence of Insurability

You will be required to complete an Evidence of Insurability form if you are enrolling your spouse in coverage for the first time outside of your initial benefits enrollment, or if you are increasing your coverage more than one level from your basic life insurance or your spouse's supplemental life coverage.

Child Life Insurance

You may also purchase Child Life insurance coverage on your eligible dependents up to age 26. The coverage available and costs are:

- \$5,000 coverage per dependent for a total cost of \$0.48 per pay period
- \$10,000 coverage per dependent for a total cost of \$0.96 per pay period

LIFE INSURANCE

Employee Supplemental Life (FT, PTII, and PTI) - Additional 1, 2, 3 or 4 X base annual salary.

Spouse Life (FT, PTII, and PTI) - ½, 1, 1½, 2 or 2½ X current employee base annual salary up to the lesser of \$200,000 or 50% of employee total life insurance coverage.

PAY PERIOD RATE

Current base annual salary X coverage selected (1, 2, 3 or 4), rounded to the next higher \$1,000 (X age reduction factor of .65 if employee's age is 65 or older) X Age Rate from table below.

Employee's base annual salary X coverage selected (½, 1, 1½, 2 or 2½), rounded to the next higher \$1,000 (X age reduction factor of .65 if spouse's age is 65 or older) X spouse Age Rate from table below.

AGE TABLE FOR EMPLOYEE SUPPLEMENTAL AND SPOUSE LIFE INSURANCE

Employee				Spouse			
Age	Age Rate	Age	Age Rate	Age	Age Rate	Age	Age Rate
< 30	0.0000224	50-54	0.0001294	< 30	0.0000235	50-54	0.0001398
30-34	0.0000262	55-59	0.0002249	30-34	0.0000277	55-59	0.0002437
35-39	0.0000321	60-64	0.0003319	35-39	0.0000342	60-64	0.0003600
40-44	0.0000474	65-69	0.0005612	40-44	0.0000508	65-69	0.0006092
45-49	0.0000835			45-49	0.0000900		

DISABILITY COVERAGE

Full-time or part-time II employees only.

Short-Term Disability (STD)

When your claim for disability is approved, STD provides for a weekly benefit beginning on the 8th day of your disability. The weekly benefit you will receive from the plan, when combined with income from all other sources, will equal 70% of your base pay, up to a maximum weekly benefit of \$3,571. Benefits will be paid for a maximum of 25 weeks.

When you first become eligible, there is no pre-existing condition clause, which means that you are eligible for this benefit regardless of prior medical conditions. PPH pays 50% of the cost of STD coverage. You are responsible for the other 50%.

To calculate your cost, take your current base annual salary x \$.000074. This amount is your per-pay-period deduction.

Evidence of Insurability

You will be required to complete an Evidence of Insurability form if you are enrolling in short-term disability coverage for the first time outside of your initial benefit enrollment period.

Long-Term Disability (LTD)

The financial consequences of a long-term illness or injury can be disastrous. PPH protects eligible employees by providing LTD coverage equal to 50% of your monthly base pay, up to a maximum benefit of \$7,000 per month. You have

the ability to purchase an additional 10%, bringing your coverage up to 60% (with a maximum monthly benefit of \$10,000) or an additional 16 2/3% bringing your coverage to 66 2/3% (with a maximum monthly benefit of \$16,500) of your monthly base pay. Your cost for the additional coverage on a per pay period basis is:

- 60% benefit up to \$10,000/month = current base annual salary x \$.000231.
- 66 2/3% benefit up to \$15,000/month = current base annual salary x \$.000373.

The monthly benefit you receive begins after six months (180 days). The monthly benefit you will receive from the plan, when combined with income from all other sources, may not exceed the amount of coverage you have selected. Once payments begin, they will continue until you recover, return to work, become rehabilitated, or reach the maximum benefit period (generally age 65, but may vary based on your age at the time of disability).

Under this plan you are considered disabled if you are unable to perform the normal duties associated with your current job during the first two years of your disability, or any job thereafter for which you are reasonably qualified by experience, education or training.

FLEXIBLE SPENDING ACCOUNTS

Flexible spending accounts allow you to put money aside to pay for certain types of eligible expenses with pre-tax dollars. By anticipating your expenses and arranging for deductions to be made from your pay each pay period, you can

lower your taxable income. There are two types of flexible spending accounts:

- Health Care Spending Account
- Dependent Care Spending Account

You elect to contribute a specific amount each pay period through December 31 each year. This benefit ends December 31 each year because the IRS requires re-enrollment annually. You may contribute between \$5 per pay period and a household maximum of \$5,000* per calendar year to one and/or both spending accounts. Please remember, while you can participate in one or both spending accounts, you cannot use money in the Health Care Spending Account to pay for dependent care expenses or use the money in the Dependent Care Spending Account to pay for expenses reimbursable under the Health Care Spending Account. When you incur an eligible expense during the year, you file a claim for reimbursement and provide proof of payment, such as an invoice receipt or canceled check. You will be reimbursed with pre-tax dollars from your account. Claim forms are available online at www.tri-ad.com/fsa.

Use it or Lose it! The IRS requires that you use all the money you contribute to your account or lose the remainder at the end of the plan year.

*Health Care Reform will be setting a cap of \$2,500 for Health Care Spending Accounts beginning January 1, 2013. What this means to you is that if you are planning on a major health care expense for yourself or for a dependent in the near future, you may want to plan for and have it done during 2012 so that you can take advantage of the current \$5,000 limit.

FINANCIAL WELL-BEING

HEALTH CARE SPENDING ACCOUNT

The Health Care Spending Account lets you use pre-tax dollars to pay health-care expenses you would otherwise pay out of pocket. Examples of eligible health care expenses according to the IRS definition include copayments, deductibles, drugs and medicine, hearing aids, over-the-counter drugs (only if prescribed by your doctor) and supplies to treat medical conditions, etc. A full list of reimbursable expenses is available via www.tri-ad.com/fsa.

Some examples of items not considered to be eligible health care expenses include cosmetic surgery, health club memberships, hot tubs, weight loss programs (unless prescribed by a physician), etc.

A BenefitCardSM has been or will be distributed to all participants that can be used for eligible Health Care Spending Account expenses that provides instant access to your funds! If you received a BenefitCard last year, you can still continue to use the same card again this year. The amount of your FSA contribution will be updated and will be available for use on January 1, 2012.



The card is recognized nationwide at qualified locations that accept Visa debit cards.

How the Card Works:

1. Incur your eligible expense at the doctor, dentist, pharmacy, drugstore, etc.
2. Swipe your card as “credit.” No PIN is needed.
3. Keep receipts and necessary documentation to support your transaction. It may not be necessary in every case but may be requested at a later date. Submit your documentation to TRI-AD only if it is requested.

“Substantiating” Your Transaction

The *BenefitCard* is pretty smart. Here’s how it helps cut down on paperwork:

- It only works at eligible merchants. The card knows whether a transaction is coming from a doctor’s office or a restaurant.
- It can accept and instantly approve many transactions. The card will in most cases immediately clear valid transactions that are in line with our health plan’s provisions.
- It is connected to many stores’ systems. The BenefitCard’s system is connected with certain merchants’ Inventory Information Approval System (IIAS) to allow for easy transaction approval.

The IRS limits the card’s use at grocery or discount stores to stores that are IIAS compliant.

Dependent Care Spending Account

The Dependent Care Spending Account lets you use pre-tax dollars to pay dependent care expenses you would otherwise pay out of your salary on an after-tax basis.

If you are paying for care for your child or an eligible adult dependent, you probably know what these costs will be each year — they are quite predictable. That predictability makes it easy to determine how much to put into your account each year.

You will only be reimbursed for expenses up to the amount (payroll contributions) you have in your account. You have the freedom to select the provider of your choice including a child care facility or nanny, relatives (not your spouse or dependent), pre-school and before-and after-school programs, family day care homes and senior day care centers, etc. The provider must meet state and local regulations and give you a taxpayer ID number or social security number (for income reporting purposes). They are not required to be licensed, but providers are required to claim this income at tax time.

For more information on Flexible Spending Accounts, please refer to www.PPH.net under Human Resources.

VOLUNTARY BENEFITS

In addition to insurance and retirement benefits, PPH offers you a variety of voluntary benefits to meet your needs.

College Savings Plan (529 Plan)

A 529 College Savings Plan is a flexible program that helps make saving for higher education easier. The program allows U.S. citizens and permanent residents (including parents, grandparents, friends and family) to save today to meet the cost of a child’s future education. For more information or to enroll, please contact Fidelity Investments.

Legal

The Hyatt Legal Plan gives you access to a nationwide network of more than 9,000 attorneys who can provide you with a wide range of legal services for a fraction of the regular cost. When you use a participating attorney for things like purchasing a home or preparing a will, these services are covered in full through the payment of your Plan premium, so there are no copayments or deductibles. In many cases, the Plan will pay for itself the first time you use it. You may contact an attorney for covered services, including advice and consultations, as often as you need. The Hyatt Legal Plan is offered through MetLife.

Pet Insurance

When your pet needs medical care, the last thing you want to be concerned about is how to pay for it. A Veterinary Pet Insurance (VPI) policy covers a multitude of medical problems and conditions related to accidental injuries, emergencies, poisoning and illnesses, including cancer. This policy also covers diagnostic tests, prescriptions, office visits, X-rays, treatments, hospitalization, lab fees, and surgeries. With a VPI policy, you can visit any licensed veterinarian worldwide. For more information or to enroll, please contact MetLife.

Auto & Home Insurance

PPH offers its employees access to a unique voluntary benefit program for Auto & Home insurance offered through MetLife. Through this program, you will have the opportunity to apply to purchase auto, home, and other property and liability insurance. You could save up

to 15% automatically with your employee group discounts, and you can even get additional discounts for having your premiums deducted automatically each pay period, if you are a good driver, if you have anti-theft devices in your vehicle, or if you have multiple policies. For more information or to enroll, please contact MetLife.

Wellness Benefits

All AFLAC policies include Annual Wellness Benefits for routine physicals, check-ups, mammograms, pap smears and More. These benefits are payable even if your health insurance covers preventative 100% — an incentive to stay healthy! Deductions for all plans listed below are taken on a pre-tax basis. For more information visit or contact an AFLAC representative.

Personal Accident Expense Plan

When an accident happens, this policy pays you cash to pay for the unexpected medical and everyday expenses that add up quickly — not just for emergency treatment, hospital stays and medical exams, but for other expenses you may face, such as broken teeth, concussions, intensive care unit confinement, ambulance (ground and air), emergency room visits, lacerations, transportation and lodging needs.

Personal Cancer Indemnity Plan

No one wants to experience a cancer diagnosis, but the fact is that the risk of getting cancer is great. In the United States, men have slightly less than a one in two lifetime risk of developing cancer; for women, the risk is a little more than one in three (Cancer Facts and Figures

2009, American Cancer Society). A cancer/specified-disease insurance policy is designed to provide you with cash benefits during covered cancer treatments. A cancer/specified-disease insurance policy can also help protect your income and savings from expenses that may not be covered by the health insurance policy, such as deductibles, out-of-network specialists, experimental cancer treatment, travel and lodging when treatment is far from home, child care and household help and normal living expenses such as care payment, mortgage/rent and utility bills.

Hospital Indemnity Plan

No matter how good your medical insurance is, when you're hospitalized for an injury or illness there will probably be medical expenses and out-of-pocket costs that aren't covered. A hospital confinement indemnity insurance policy provides cash benefits to use as you see fit. The benefits are predetermined and paid regardless of any other insurance you have. Some AFLAC advantages are no deductibles and increased benefit amount for the first five days of hospitalization.

Specified Health Event Policy

A serious health event such as heart attack, end-stage renal failure or third-degree burns is not only a life-altering physical event, but a devastating financial one as well. Specified health event insurance may make all the difference by providing cash benefits as you concentrate on your recovery. Covered health events also include stroke, paralysis, coronary artery bypass surgery, persistent vegetative state, major human organ transplant and coma.

YOUR PROFESSIONAL DEVELOPMENT

Your personal and professional development is important to you and to PPH's future success. To assist with your professional development, PPH provides a significant number of educational opportunities to you free of charge. These courses include everything from courses required for renewal of certifications to leadership development. Tuition reimbursement and continuing education seminar funds are also available for training and development needs outside of PPH.

PPH promotes a culture of recognition and rewards with programs that allow employees to recognize each other, a Values in Leadership program that allows managers to be highlighted, a Caring Hand award for excellent customer service, celebration programs for years of service, etc. In addition, free meals are served to all employees by management during National Hospital Week and during the December holiday season. A variety

of activities are also available to employees who want to give back to the communities where we live and work:

- Over 300 online and instructor-led courses free of charge
- Tuition reimbursement
- Conference assistance

REWARDS AND RECOGNITION

Some of the ways that PPH promotes a culture of rewards and recognition include:

- Cause for Applause
- Caring Hands award / Leader in Action awards
- Annual service award celebrations
- Free meal and gift during Hospital Week
- Meals served by leadership during holidays
- PPH store where you can purchase logo wear and other items

The information presented in this booklet is a summary only. Because this information is intended as a helpful guide, not every rule, exclusion or limitation is included or fully explained. All benefits are administered according to the actual plan document, certificates and company policy. Should any questions or disputes arise regarding benefit payment or eligibility, the master documents will govern. You may obtain copies of master documents by contacting a Benefits Representative. PPH reserves the right to add, delete, change or modify the benefit plans from time to time. The Plan Administrator has the sole discretion to determine eligibility for benefits and to interpret the language of the benefit plan documents' provisions, including unclear or disputed terms.



IMPORTANT PHONE NUMBERS & WEBSITES

FOR MORE INFORMATION ON THE PLANS AND BENEFITS AVAILABLE TO YOU AS A PPH EMPLOYEE, PLEASE REFER TO THE PPH INTRANET AT WWW.PPH.NET.

SHARP HEALTH PLAN (HMO)

SHARP HEALTH PLAN
CUSTOMER CARE
WWW.SHARPHHEALTHPLAN.COM
(619) 228-2300 OR
(800) 359-2002

MERITAIN NATIONCARE (PPO)

WWW.MYMERITAIN.COM
(800) 847-8361

CIGNA DENTAL

WWW.CIGNA.COM
(800) 244-6224

ASH

(CHIROPRACTIC/ACUPUNCTURE)
WWW.ASHN.COM
(800) 678-9133

MEDICAL EYE SERVICES (MES)

WWW.MESVISION.COM
(800) 877-6372

TRI-AD

HEALTH CARE/DEPENDENT CARE
FLEXIBLE SPENDING ACCOUNT
CLAIMS ADMINISTRATION
WWW.TRI-AD.COM/FSA
(888) 844-1372 (OPTION 2)

LINCOLN NATIONAL LIFE INSURANCE

LIFE INSURANCE
SHORT-TERM AND LONG-TERM
DISABILITY
WWW.JPFIC.COM
(800) 423-2765

FIDELITY INVESTMENTS

WWW.FIDELITY.COM/ATWORK
ENGLISH (800) 343-0860
SPANISH (877) 297-3017

COLLEGE SAVINGS PLAN (FIDELITY)

WWW.FIDELITY.COM/ATWORK
(800) 544-1914

HYATT PRE-PAID LEGAL PLAN (METLIFE)

WWW.LEGALPLANS.COM
(800) 821-6400
(800) 438-6388

METLIFE

AUTO & HOME INSURANCE
PET INSURANCE
WWW.METLIFE.COM/MYBENEFITS
(800) 438-6388

AFLAC

PERSONAL ACCIDENT EXPENSE,
CANCER PROTECTION PLAN,
HOSPITAL CONFINEMENT INDEMNITY
SPECIFIED HEALTH EVENT POLICY
WWW.AFLAC.COM
(800) 462-3522

EMPLOYEE ASSISTANCE PROGRAM

WWW.ANTHEMEAP.COM
(800) 999-7222

PPH BENEFITS DEPARTMENT

(760) 740-6336
(760) 740-6337

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www.PPH.org