

A group of ten people, five men and five women, are posed on the wooden steps of a yellow house with a white porch. The house has a gabled roof with brown shingles and a small dormer window. The group is arranged in two rows, with some people standing on the porch and others on the steps. They are dressed in casual to business-casual attire. A large yellow and red diagonal graphic is overlaid on the right side of the image.

Town of Hillsborough

2023

Employee Benefit Guide

About Your Benefits

At the Town of Hillsborough, we are confident that our people are the reason behind our success. We truly value you as an employee and part of our professional family. Our goal is to offer the very best healthcare possible to you and your loved ones. With this in mind, we have developed a comprehensive employee benefit package designed to protect you and your family.

This brochure provides an overview of benefit information available to eligible employees beginning July 1, 2023 through June 30, 2024. Specific plan brochures provide full program details, limitations, and exclusions. These brochures can be accessed at our benefits enrollment system, WWW.BENEFITSOLVER.COM, in the *Reference Center*. Contact Human Resources with any questions you may have.

Eligibility and Enrollment

You are eligible to participate in Town of Hillsborough's benefits if you are a full-time or part-time employee working at least 20 hours per week. If you enroll for benefits, you may also cover your:

- Legal spouse
- Domestic partner (same and opposite sex)
- Dependent children up to age 26 (must be unmarried for dental, vision, & life)

New Employees have 14 days from your hire date to enroll at WWW.BENEFITSOLVER.COM. Click 'Register' to set up your user name, password and security questions. Our 'Company Key' is NCHIP.

Making Changes to Your Benefits

Each year, you have the opportunity to make changes to your benefits during open enrollment. Hillsborough's plan year is from July 1 – June 30 and open enrollment occurs in early May with changes taking effect July 1.

Mid-year changes to your benefits can be made if you experience a Qualifying Life Event. Examples include:

- Marriage or divorce
- Birth or adoption of a child
- Change in a dependent's eligibility status
- Change in employment status for you or your dependents resulting in the loss/gain of coverage
- A significant change in the cost or coverage of your dependent's benefits
- Change in the cost of dependent care (for dependent care flexible spending accounts only)
- Death of a dependent

You have 30 days from the date of the event to make the change. Keep in mind, the changes you make must be directly related to the event.

How Hillsborough's Medical Coverage Works

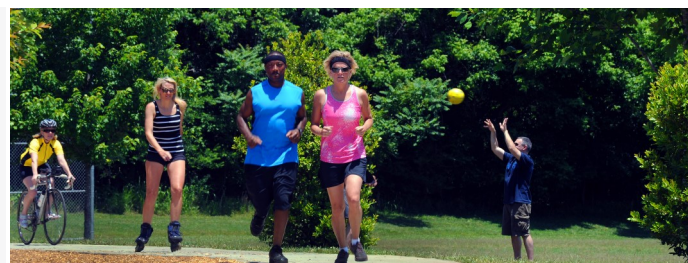
Three plans use the Blue Cross and Blue Shield of North Carolina network and cover 100% of the cost for preventive care services like calendar year physicals and routine immunizations. The way you pay for care is different with each plan.

With the **HDHP**, you pay the full negotiated cost for medical services and prescription drugs until you meet your contract year deductible. If you meet the deductible, you and the plan share the costs (coinsurance) until you reach the calendar year out-of-pocket maximum. After that, the plan pays for 100% of your claims for the rest of the year.

The **PPO plan** has set copays for some services and a deductible and coinsurance for others. Copays do not apply toward your deductible, so you will pay copays until you reach your contract year out-of-pocket maximum.

Finding In-network Providers

You save the most money when you choose in-network doctors, facilities and pharmacies. Log on to WWW.BLUECROSSNC.COM/FindADoctor or call **800.795.9402** to find providers in the Blue Cross and Blue Shield of North Carolina network.



Medical Coverage

BLUE CROSS AND BLUE SHIELD OF NC | 800.795.9402 | WWW.BLUECROSSNC.COM

You have a choice of three medical plans through Blue Cross and Blue Shield of North Carolina - **2 High Deductible Health Plans (HDHP)** and **1 PPO Plan**. Each plan includes prescription drug benefits. Review the chart below for cost of your medical service and prescription drugs.

In-Network Coverage	HDHP Low	HDHP High	PPO Copay Plan
Benefit Period	July 1—June 30		
Deductible (Individual/Family)	\$2,500/\$5,000*	\$2,500/\$5,000*	\$500/\$1,000
Coinsurance	20%	0%	20%
Out-of-pocket Maximum (Individual/Family)	\$5,500/\$11,000 (Embedded \$6,650 ¹)	\$2,500/\$5,000	\$3,000/\$6,000
Office Visits Telemedicine Primary Care Urgent Care Specialist	20% after deductible	0% after deductible	\$10 copay \$25 copay \$50 copay \$50 copay \$500 copay
Emergency Room			
Prescription Drugs (Enhanced Formulary) Tier 1 Drugs Tier 2 Drugs Tier 3 Drugs Tier 4 Drugs	20% after deductible	0% after deductible	\$10 copay \$35 copay \$60 copay 25% ² Mail-order: 3 x copay

*HDHP—For Family coverage, the Family Deductible must be met, by any one or combination of family members, before benefits will be paid for any individual member. There is no Individual Deductible to satisfy within Family Deductible.

¹HDHP Low—For Family coverage, the Family Out of Pocket can be met by any combination of family members, with no member exceeding \$6,650.

²There is a \$50 per Drug Minimum and a \$100 per Drug Maximum for each 30-day supply of Tier 4 Specialty Brand Drugs.

Terms to Know

- **Copay** - A set dollar amount you pay for a covered health care service, usually when you receive the service.
- **Deductible** - What you pay out of pocket for health care services before the plan begins to pay a portion.
- **Coinsurance** - Your share of the costs of covered health care services after you reach the deductible. You pay the percentage noted in the table above, and the medical plan pays the rest.
- **Out-of-pocket Maximum** - What you have to pay before the plan pays 100% of your covered costs.
- **Generic Drugs** - FDA-approved, and shown to be just as safe and effective as their more expensive brand-name counterparts. If you choose a brand-name drug when a generic drug is available, you will pay the brand-name copay plus the cost difference between the generic equivalent and the brand-name drug.
- **Preferred Drugs** - Blue Cross and Blue Shield of North Carolina regularly reviews the latest prescription drugs on the market and maintains a list of preferred drugs that are clinically effective and not cost-restrictive. These drugs are available at a lower price than those not included on the list, which are called non-preferred drugs.
- **Specialty Drugs** - Specialty drugs are typically used to treat chronic conditions like cancer or multiple sclerosis. These drugs tend to be more expensive and usually require special handling and monitoring. If you take a specialty medication, you could save money by using Blue Cross and Blue Shield of North Carolina's mail-order pharmacy. You can register for mail-order pharmacy by logging on to WWW.BLUECROSSNC.COM/FindADoctor.
- **Network** - The facilities and providers the medical plan has contracted with to provide health care services. In-network providers typically provide services at a lower negotiated rate.
- **Pre-tax** - Benefits deducted from your paycheck before your taxes which reduces your tax obligation.

Additional Information

Employee Contributions

Below is a chart of the employee premiums which are paid through payroll deductions. The cost listed is a pre-tax deduction made twice a month.

Coverage Tier	HDHP Low	HDHP High	PPO Copay Plan
Employee	\$0	\$0	\$0
Employee/Spouse	\$208.27	\$272.17	\$381.91
Employee/Child(ren)	\$100.09	\$153.36	\$223.92
Family	\$343.11	\$424.78	\$600.99

The above rates are *Wellness Rates*. Employees who do not complete the Wellness requirements should add \$34.63 to the premium cost in the chart. To qualify for the Wellness Rates, you must complete the wellness program requirements by October 1, 2023.

Wellness Rates

In a continued effort to support and encourage you to lead healthier and more productive lives, the Town of Hillsborough is participating in the Rally program with Blue Rewards in conjunction with Blue Cross of NC.

Your completion of the Health Risk Assessment and Preventive Care Screenings between July 1 and October 1 qualifies you for the Wellness Rates for the remainder of the plan year.

Blue Rewards also offers incentives for completing a variety of online activities:

- Blue Connect Registration (\$15 gift card—initial registration only).
- Communication Preferences (\$15 gift card).
- Learn More About Your Plan (\$15 gift card).
- If contacted for case management or disease management then additional rewards are available.

Members will receive a reward code in the mail when they complete one of the activities listed above. Enter the code online to select a gift card. Find all your reward-eligible wellness activities on your personal Blue Rewards page in the wellness portal at WWW.BLUECONNECTNC.COM to learn more.

NCHIP Concierge Program

Blue Cross and Blue Shield of North Carolina offers personalized customer support to NCHIP members. Customer service representatives have extended hours and help you and your family members navigate your benefits and health care options. The Concierge Program is accessible by calling the customer service number on your ID card.



Telemedicine

Blue Cross and Blue Shield of North Carolina has partnered with telemedicine provider Teladoc to provide you and your family with access to fast and convenient quality medical care. You can connect with a U.S. board-certified doctor 24 hours a day, seven days a week by phone or video chat. Call Teladoc at **800.835.2362** if you have a minor physical condition like a cold or fever. To get started, visit WWW.TELADOC.COM and register with your Blue Cross and Blue Shield of North Carolina member ID number (found on the back of your medical ID card).

Employee Assistance Counseling Program (EACP)

CONE HEALTH | 877.800.9401 | WWW.CONEHEALTH.COM | TELEPHONIC & FACE-TO-FACE SESSIONS

To help you with personal issues and concerns, Town of Hillsborough provides you and your family with an employee assistance program (EAP) at no cost to you. Call Cone Health 24/7 for confidential assistance with personal matters like family, finances, health and work. Experienced consultants are available to listen and help you find solutions. They can also set up in-person sessions with local behavioral health counselors if needed. Find more information at WWW.CONEHEALTH.COM or call 877.800.9401.

EACP can help with:

- Stress
- Marital Conflict
- Depression
- Anxiety
- Substance Abuse
- Loss and Grief
- Family Problems
- Job Burnout
- Aging Parents
- Parenting or School Problems
- Financial Stress
- Legal Concerns
- Loss of Life Direction



Livongo—Telehealth Services

Livongo is a service provided by Blue Cross Blue Shield of North Carolina and Teladoc Health to manage Chronic Conditions. Livongo is only accessible to employees who are diagnosed with specific Chronic Conditions. The covered conditions are Diabetes, Hypertension and Weight Management (Pre-Diabetes).

Employees who qualify can access Livongo from the Teladoc Health App with a single log-in with the Town of Hillsborough's specific registration codes. You will need to complete the questionnaire under the "Condition Management" section to learn if you qualify for these chronic conditions programs.

This program is offered at no cost to members and their covered dependents through the BCBSNC medical plan.

SurgeryPlus

WWW.NCHIP.SURGERYPLUS.COM | 833.423.2021 | NCHIP@SURGERYPLUS.COM

Surgery Plus provides you with access to excellent and affordable care for many planned surgical procedures for any employee or dependent covered under the Town of Hillsborough's medical plan. SurgeryPlus partners with the best-in-class surgeons at the top facilities nationwide. This partnership provides significant cost savings on many planned surgical procedures. Your in-network surgery costs could be covered at a higher percentage.

If you are enrolled in a PPO plan, your SurgeryPlus benefit covers your surgery at 100%. If you are enrolled in a HDHP plan, you will receive a financial incentive when you use SurgeryPlus.

SurgeryPlus benefits include access to the SurgeryPlus network of highly qualified surgeons, consultations and appointments with your SurgeryPlus surgeon, anesthesia and more. Examples of commonly covered procedures include Orthopedic, Spine, General Surgery and Gastrointestinal. Your personal Care Advocate will support you every step of the way through your care.

Spending Accounts

HSA: LOCAL GOVERNMENT FEDERAL CREDIT UNION | 888.732.8562 | WWW.LGFCU.ORG

FSA: FLORES & ASSOCIATES (FORMERLY PROBENEFITS) | 800.532.3327 | WWW.FLORES247.COM

Paying for Health Care

Town of Hillsborough offers several ways to set aside pre-tax dollars to pay for medical, prescription drug, dental and vision care expenses. The health care accounts available to you depend on the medical plan you choose.

	Health Savings Account (HSA)	Health Care Flexible Spending Account (FSA)
What medical plan can I choose?	HDHP	PPO plan
What expenses are eligible?	Medical, prescription drug, dental and vision care (See IRS Publication 502 for the types of expenses that may be eligible)	
When can I use the funds?	Funds are available as Town of Hillsborough and you contribute to the account.	All of the funds you elect for the year are available July 1.
Can I roll over funds each year?	Yes, funds roll over from year to year and are yours to keep (even if you leave the company or retire).	Health FSA participants will be able to carryover unused amounts of up to \$610 for expenses incurred in the next plan year and still contribute up to the annual maximum.
How do I pay for eligible expenses?	With your Local Government Federal Credit Union debit card (you can also submit claims for reimbursement online at WWW.LGFCU.ORG).	With your Flores debit card (you can also submit claims for reimbursement online at WWW.FLORES247.COM).
How much can I contribute each year?	\$3,850 for individual coverage or \$7,750 for family coverage (this total includes company funding detailed below) and additional \$1,000 for catch up contributions in 2023.	You can contribute \$3,050 to your health care FSA in 2023.
Does my employer make any contributions to my spending account?	Yes, ToH contributes \$65.55 twice a month (maximum of \$1,573.20 annually) to your account if enrolled in one of our HDHPs. New enrollees will receive an upfront contribution of \$500. This will be in addition to the per pay period contribution from the Town of Hillsborough.	No, the lower deductible of the PPO reduces the overall cost of this plan for employees.
Can I change my contributions throughout the year?	Yes, you can submit an updated HSA contribution form to Human Resources to change your per paycheck contribution at any time.	No, unless you have a qualifying life event, you choose an annual election amount during open enrollment and that amount is taken out of each paycheck in equal increments throughout the year.
Limited Purpose FSA	Eligible for dental and vision expenses only; medical expenses must be paid for using your HSA. You can contribute up to \$3,050 and may carry over up to \$610 for expenses incurred in the next plan year.	N/A

Note: You are not eligible to contribute to an HSA if you have disqualifying coverage, such as Medicare, TriCare, if you are covered under your spouse's non-HDHP or if you participate in a general purpose Health Care FSA.

What Are the Tax Implications of an HSA?

Contributions to your HSA reduce your taxable income, and qualified medical expenses are never taxed. All money set aside in an HSA grows tax-deferred until age 65, when funds can be withdrawn for any non-medical purpose at ordinary tax rates, or tax-free when used for medical expenses. You may contribute additional funds to your HSA (\$1,000 per tax year) if you will be 55 years or older by December 31. Learn more at WWW.LGFCU.COM.



Paying for Dependent Care

You can contribute pre-tax dollars into a dependent care FSA to pay for eligible child or elderly care expenses.

	Dependent Care FSA
What is it?	An account that allows you to set aside pre-tax dollars from each paycheck to pay for eligible child or elderly care expenses while you and your spouse work full time.
Why should I consider it?	You can lower your taxable income to save some money while you take care of your daycare expenses.
What expenses are eligible?	Daycare expenses for your children under age 13 or dependents who are mentally or physically incapable of caring for themselves (including elderly dependents).
When can I use the funds?	Funds are available as you contribute to the account with each paycheck.
Can I roll over funds each year?	No, you will lose any funds remaining in your account at the end of the year.
How do I pay for eligible expenses?	With your Flores debit card (you can also submit claims for reimbursement online at WWW.FLORES247.COM).
How much can I contribute each year?	You can contribute \$5,000 to your dependent health care FSA in 2023.



Important Note

Both the health care and dependent care FSAs have a use-it-or-lose-it rule. You will lose any unused funds at the end of the year.

Dental Coverage

MUTUAL OF OMAHA | 800.769.7159 | WWW.MUTUALOFOMAHA.COM

Town of Hillsborough offers two dental plans through Mutual of Omaha. Review the chart below for the amount Mutual of Omaha will pay for the dental service listed.

There is no penalty for not using the network. Dentists who are in network cannot balance bill you for amounts over the allowed charges; however, non-network dentists may bill you for amounts over the allowed charges.

A 12 month benefit waiting period is applied for late entrants.

Level of Coverage	Low Option	High Option
Benefit Period	July 1—June 30	July 1—June 30
Contract Year Deductible (Individual/Family)	\$50/\$150	\$50/\$150
Contract Year Maximum (Per Person)	\$1,000	\$2,000
Preventive Care (Routine Cleaning and X-rays)	100%	100%
Basic Services (Fillings, Basic Root Canals)	80% after deductible	80% after deductible
Major Services (Extractions, Crowns)	50% after deductible	80% after deductible
Orthodontia (Dependent Children Only)	50%	50%
Orthodontia Lifetime Maximum (Per Person)	\$1,000	\$1,000

Dental	Low Option	High Option
Employee	\$0	\$4.83
Employee/Spouse	\$12.92	\$23.88
Employee/Child(ren)	\$19.57	\$33.40
Family	\$32.41	\$47.50



Finding In-network Dentists

You pay less for services when you use a dentist in the Mutual of Omaha network. You can find an in-network dentist by visiting WWW.MUTUALOFOMAHA.COM or calling 800.769.7159.

Vision Coverage

MUTUAL OF OMAHA | 833.279.4358 | WWW.MUTUALOFOMAHA.COM

Town of Hillsborough offers two vision plans through Mutual of Omaha within the EyeMed Network. Review the chart below for the cost of the benefit service listed.

	Low Option	High Option
	In Network	
Eye Exam (Once every 12 months)	\$10 copay	\$10 copay
Lenses (Once every 12 months) Single Vision Bifocal Trifocal	\$50 \$70 \$105	\$25 copay \$25 copay \$25 copay
Frames (Once every 12 months)	35% discount off retail price	\$150 allowance plus 20% off
Contact Lenses (Once every 12 months) Conventional Disposable Medically Necessary	15% discount off retail price Discount not available 5% discount off retail price	\$0 copay, \$150 allowance plus 15% off \$0 copay, \$150 allowance \$0 copay

Vision	Low Option	High Option
Employee	\$0	\$2.21
Employee/Spouse	\$0.31	\$5.75
Employee/Child(ren)	\$0.33	\$6.42
Family	\$0.85	\$10.08

Finding In-network Eye Doctors

You can find an in-network eye doctor in the EyeMed network by visiting WWW.MUTUALOFOMAHA.COM/VISION or calling 833.279.4358.



Life and Disability Plans

MUTUAL OF OMAHA | 800.775.8805 | WWW.MUTUALOFOMAHA.COM

Life and AD&D Insurance

Town of Hillsborough provides basic life and accidental death and dismemberment (AD&D) insurance through Mutual of Omaha at no cost to eligible employees. If you want additional coverage for yourself, your spouse, or your children, you can purchase voluntary coverage at our group rates.

Keep Your Beneficiaries Up to Date

You must log on to WWW.BENEFITSOLVER.COM to designate a beneficiary (the person who will receive the benefit) for your life and AD&D insurance. Make sure to keep this person's information updated so your benefit is paid according to your wishes.

	How it Works	Basic Life and AD&D (Company-paid benefit)	Voluntary Life and AD&D (Employee-paid benefit)
Basic Life	Your beneficiaries receive this benefit if you pass away	You: 1x Annual Salary to max \$200,000 Additional Employee-paid Basic Life is available for spouse (\$2,000) and dependents (\$2,000 from 14 days to age 26)	You: Increments of \$10,000 up to the lesser of 5x Annual Salary or \$300,000; Guarantee Issue \$100,000 Your spouse: Increments of \$5,000 up to \$150,000, not to exceed 100% of EE's amount; Guarantee Issue \$30,000 Your child(ren): \$10,000 Evidence of Insurability may be required
Basic AD&D	You (or your beneficiaries) receive this benefit if you pass away or are seriously injured in an accident	You: 1x Annual Salary to max \$200,000	AD&D is equal to the Voluntary Life benefit for employees and eligible dependents

*Age reduction schedule applies.

Disability Insurance

Town of Hillsborough also provides disability insurance through Mutual of Omaha. This benefit replaces a portion of your income if you become disabled and are unable to work.

	How it Works	Who Pays for the Benefit
Short-term Disability	You receive 60% of your income up to \$1,000 per week. Benefits begin after 7 calendar days of absence from work due to illness or injury and continue for up to 26 weeks.	Company
Voluntary Long-term Disability	<p>Option 1: 2 Year Duration You receive 60% of your income up to \$6,000 per month. Benefits begin after 180 calendar days of absence from work and continue for 2 years.</p> <p>Option 2: 5 Year Duration You receive 60% of your income up to \$6,000 per month. Benefits begin after 180 calendar days of absence from work and continue for 5 years.</p> <p>Option 3: SSNRA Duration You receive 60% of your income up to \$6,000 per month. Benefits begin after 180 calendar days of absence from work and continue until you reach Social Security Normal Retirement Age.</p>	Employee

Worksite Benefits

VOYA FINANCIAL | 877.236.7564 | WWW.VOYA.COM

The Town of Hillsborough offers Voluntary Benefits through Voya which include Accident, Critical Illness with Cancer and Hospital Indemnity Insurance.

Voluntary Benefits are supplemental benefits that provide personal and financial protection by paying cash benefits directly to the insured when injured or sick. These benefits are intended to supplement major medical plans by helping cover copays, deductibles, and other out of pocket costs that are not always covered. These benefits are paid directly to you, and will never be reduced by medical payments, or other coverages. Voluntary Benefits are 100% employee paid, through convenient payroll deductions.

Group Policy Name:
Town of Hillsborough

Policy Number:
728870

Accident Coverage

An injury, such as a sprained ankle or broken arm, can often have numerous costs associated with the diagnosis, treatment, and recovery. After an accident, this insurance supplements your existing medical coverage and pays you a cash benefit in addition to whatever your medical plan may cover.

At no additional cost, Voya Travel Assistance is included in Accident Coverage and offers enhanced security for your leisure and business trips when traveling more than 100 miles from home. You and your dependents can take advantage of four types of services: pre-trip information, emergency personal services, medical assistance services and emergency transportation services.

Voya Travel Assistance services are provided by Europ Assistance USA, Bethesda, MD.

Critical Illness

A diagnosis of a serious illness can cause some unexpected strains on your life, in addition to your health. A critical illness insurance payout can help you avoid the financial strains that a major illness can create – so you can get the treatment that you desire, spend time with your loved ones, and focus on your recovery. The most common conditions Critical Illness Insurance covers include Heart Attack, Kidney Failure, Stroke, Coronary Artery Bypass, and Cancer.

A Wellness Benefit is included in Accident and Critical Illness Insurance—at no additional cost to you!

Every day we learn more and more about the importance of regular health screenings and the increased chances of survival when serious illnesses are detected early. The Wellness Benefit encourages you to get regular health screenings. The benefit payment you receive for your health screening can be used however you like.

How much is the Wellness Benefit?

\$50

For yourself & your covered spouse

+

\$25

(50% of the benefit amount) for each covered child*

*Maximum of \$100 for all covered children per calendar year

Hospital Indemnity

Hospital stays are not cheap. And even with medical insurance, there are still a lot of out-of-pocket costs to consider. Hospital Indemnity Insurance can help you with your day-to-day expenses like, childcare, groceries, help around the house and more. The plan pays a daily benefit if you have a covered stay in a hospital, critical care unit, or rehabilitation facility on or after your coverage effective date.



Insurance | Risk Management | Consulting

This document is an outline of the coverage provided under your employer's benefit plans based on information provided by the Town of Hillsborough. It does not include all the terms, coverage, exclusions, limitations, and conditions contained in the official Plan Document, applicable insurance policies and contracts (collectively, the "plan documents"). The plan documents themselves must be read for those details. The intent of this document is to provide you with general information about your employer's benefit plans. It does not necessarily address all the specific issues which may be applicable to you. It should not be construed as, nor is it intended to provide, legal advice. To the extent that any of the information contained in this document is inconsistent with the plan documents, the provisions set forth in the plan documents will govern in all cases. If you wish to review the plan documents or you have questions regarding specific issues or plan provisions, you should contact your Human Resources.