

1. Cancel November Choice Time Cash Out

SUMMARY:

- ❖ Individuals who had requested that any number of their CT hours be cashed out in November will not be receiving a cash payment. The CT hours will remain in their CT balance.
- ❖ Physicians are exempted and will be paid CT cash out for the number of hours they requested during enrollment or as many hours as are available in their balances at that time.

FAQs:

Why are physicians allowed to get their cash outs? It seem as though they earn more than most and would be the least likely to be exempted?

Our leaders have explained that this decision was discussed at length and not made lightly. We are asking our providers to go without using earned choice time in order to keep the entire system busy with patient care duties. We have seen throughout the last year that our incenting providers to use CT (e.g. by reducing their annual CT maximum balance carryover, and telling them to essentially "use it or lose it") has, at times, inadvertently led to patient flow and revenue interruptions.

Simply put, the revenue gained - and cash resulting - by having doctors work more days exceeds, by far, the cost - and cash requirement - of allowing their CT cash out. This is a strategic maneuver to keep the system afloat and moving back on track in terms of volume, census and revenue that is needed to enhance our fiscal situation in the near term.

Our physicians did participate in the CT accrual suspension at the same level as all other employees. CMMG worked with physician leaders and amended their contracts. We intend to apply other benefits changes to our physicians, as well, and will again work on amending individual contracts in this case.

Do I need to do anything with HR as a result of this?

No. HR has not reduced your CT balance of hours yet for the November CT cash out, and will not be doing so.

Will there be any CT cash outs in the future?

The CT cash out program has been suspended indefinitely. A determination will be made prior to this year's open enrollment meetings as to whether to offer a CT cash out in any amount at any time in 2011.

I have already made plans (for the end of the year, the holidays, tax season....) and was counting on this CT cash out. What am I supposed to do about these arrangements? Is it possible to receive an exception and to get my cash out?

Unfortunately no, due to our current financial challenges, we are unable to make exceptions.

However, we are encouraging any employees that experience some extreme hardship (e.g. limited ability to buy groceries or home heating fuel) due to the lack of cash out, or any other event, to apply to the Employee Financial Assistance Fund. The policy and application are on the Portal. Click on Organizational Resources -> Development Office and the policy and form are listed. Any employees who would like to support their peers who may struggle for any reason are encouraged to make a donation (which is also available through payroll deduction) to the Employee Financial Assistance Fund.

We have a three pay check month in September and many managers are encouraging their staff to perhaps set aside some of the pay from the September 30th pay to try and increase their available cash in place of the cash out.

Non-payment of the hours I was going to get cash for will drive up my CT balance. By when must I get my balance under my CT maximum?

CT maximum balances are scheduled to be enforced June 30, 2011. For most employees, the maximum allowable balance at that time will be 1 times your annual rate of CT accrual. You would need to use any hours above that maximum balance by June 30, 2011 or lose them at that time. Your individual CT max appears on your check stub.

**2. Require 60 Hours of CT Prior to Accessing Earned Sick Bank (ESB) Hours.
3. Pay out ESB at 60% of Base Rate of Pay.**

SUMMARY:

- ❖ **60 Hour Requirement Effective 10.24.10**
- ❖ Individuals will be required to utilize 60 hours of CT (previously 16 hours) prior to accessing their ESB bank.
- ❖ **Pay out ESB at 60% will not be implemented until January 2, 2011**

FAQS:

Are the hours of CT that must be used prior to ESB prorated to my weekly standard hours?

Yes. As was the case previously with the 16 hours of CT, the 60 hours of CT prior to accessing ESB is prorated to your standard hours. The amount of CT hours you will need to use before accessing ESB is 1 ½ weeks.

Weekly Hours	20	24	32	36
CT Hours required before Access ESB	30	36	48	54

What happens if I don't have any CT? Do I need to go unpaid before I access ESB?

Yes. If you are out of CT, you would need to record the amount of hours you are short of the 60 hours (or your prorated # of required CT hours) as unpaid time prior to accessing ESB.

I am currently accessing my ESB and have been getting paid at 100% of my base rate. Will I continue to receive 100%, or will I change to 60% and if so, when?

ESB time will continue to be paid out at 100% of your normal base rate of pay for the rest of 2010. As of January 2, 2011, any ESB hours utilized will be paid at 60% of your base rate of pay. This is true regardless of whether you were using ESB hours prior to or only after 1/2/11.

Can I purchase Short Term Disability Insurance (STD) through CMH and when can I do it? How much does it cost?

Yes. Human Resources does offer a voluntary STD insurance benefit that is something you can sign up for during the open enrollment process this fall. If you would like to learn more about what your costs and benefits would be, please contact our vendor EBM's Enrollment Center directly at 1-888-269-2744 no later than Tuesday, November 30 2010.

Why 60 hours and 60%? How did you arrive at those specific numbers?

HR has been reviewing market data for the last few months and determined that our access to "sick time" via ESB is available earlier into the sickness period and pays out at a much higher percent of pre-disability income than our competitors.

Most STD policies have a 14 to 30 day waiting period, whereas our previous 16 hours CT requirement represented 1.25 to 2 days for most employees. The 60 hours is intended to find some middle ground between 1.25 days and 30 days.

As for the 60%, most income protection insurances (e.g. STD, LTD) provide some level of income replacement between 50-70% of pre-disability income rates. This is to ensure that the employee has some level of income to provide for basic needs, but at the same, is motivated to return to work and 100% of pay when safe and feasible to do so.

Can I use my CT to supplement the 60% ESB payment and reach 100% of my regular rate of pay?

YES. CT hour positive balances will be available to supplement the 60% ESB payment to reach 100% of the regular rate of pay

I am pregnant, or hoping to become pregnant, in the near future. If I buy STD insurance, will I be eligible for benefits in 2011?

Yes. EBM normally has a 1 year pre-existing condition clause that would prevent a mother who is pregnant now from receiving payment for the next 12 months. However, they have waived this 12-month requirement for one time only during this year's open enrollment. Thus, you would be eligible for STD benefits whether you give birth (or experience an absence for any other condition that was initially diagnosed or treated in 2010) the first week of January or later in the year 2011.

4. Extend Benefit Premiums for FT Down to 20+ Hrs and PT Down to 16 Hrs

SUMMARY:

- ❖ Effective Date : 7.1.10
- ❖ Across the organization, in specific departments and roles, individuals who were told or asked to have their scheduled hours reduced. CMH will allow affected employees – and not those who were at these hour schedules prior to our expense control initiatives:
 - Continue their medical insurance while paying full time premiums, down to a minimum of 20 hours (Previously 32.)
 - Continue their medical insurance as a regular part-time employee, down to a minimum of 16 hours (previously 20.)

FAQS:

My department just reduced my work schedule from 36 hours a week to 28. I have medical insurance and pay the full time premium rate. Do I now have to pay the part time rates, which is \$50/month higher?

No. As long as your new weekly hours are between 20 and 40 and your hours are being reduced due to the CMH expense reduction initiatives, you will be able to continue your benefits at your current premium contribution rates.

My department just reduced my work schedule from 24 hours per week to 18. I have medical insurance and pay the regular part-time rate – will I still be benefits eligible?

Yes, as long as your hours are between 16 and 20 a week, you will be able to continue your benefit coverage as a regular part-time employee.

How long will these exceptions be available to access for full and part time benefits?

We have committed to extending these full and part time benefits levels to the hours 20 and 16, respectively, through the end of calendar year 2010 and will re-evaluate at that time.

My manager just told me that I need to cut my schedule from 40 hours a week to 32. I have 200 hours of CT hours in my bank. Can I use these to still get paid for 40 hours each week (i.e. put in for the extra 8 hours each week as CT?)

No. Since this represents a change in the budgeted hours for your position, you would be limited to 32 weekly hours at your regular rate of pay. CT cannot be used to exceed your weekly hours. However, if your CT balance is above your new max balance based on your new schedule, these excess CT hours will be paid out on the first paycheck the following month per policy.

In August I volunteered to cut from 36 hours to 28 hours. Can I get my old FT benefits rate of contribution back?

Yes. CMH will be extending this offer to any personnel who have changed their hours in a manner that affected their level of benefits from July 1, 2010 through the end of the year. Please contact your HR Business Partner if you feel your hours have been reduced and affected your benefit costs or eligibility.

5. Sunset Preceptor Recognition Policy for RNs & Clinical Support Staff

SUMMARY:

- ❖ Effective Date: 9.22.10
- ❖ Sun setting “Preceptor Recognition” HC-HR3509 (R1).
- ❖ Payments for clinical personnel in preceptor ship relation will no longer be made, except for personnel who entered preceptor ship prior to 9.22.10, who will receive their bonus.

6. Reduce Tuition Reimbursement to 50% and \$5,000 per Academic Year

SUMMARY:

- ❖ Effective Date: 9.22.10
- ❖ Reduce tuition reimbursement rate from 75% to 50%.
- ❖ Academic year cap of \$5,000 total.

FAQS:

I was approved by my manager and the Director of Education for a class I am taking now. Will I only get reimbursed 50% even though I was told 75%?

All fall requests approved prior to September 22nd will be paid at their 75% rate if the class started before September 22nd. However, the reimbursement will count towards the academic year’s cap of \$5,000. The academic year starts September 1st annually.

What if I was hired and had a written agreement as part of a job offer to pursue a particular degree which costs more than \$5,000 a year. Will CMH honor these?

Presidents will review any degree commitments and may approve exemptions.

7. Eliminate Per Diem and Extra Shift Differentials

SUMMARY:

- ❖ Effective Date: 9.26.10
- ❖ Reduce both Per Diem and Extra Shift Differentials from 18% of base pay to 0%.

FAQS:

Do extra shift differentials include “gap pay” which is an extra shift diff for non-nursing personnel?

Yes, “gap pay,” the fixed \$5.00/hr differential paid to some non-nursing personal for covering additional schedule gaps will also be eliminated along with the nursing specific extra shift differential.

I am scheduled already for per diem hours after Saturday, September 25th. Will I still be paid at the 18% differential?

No. Any hours worked after midnight on Saturday, September 25th as a “per diem” or as part of an extra shift above or outside of one’s normal scheduled hours will be paid at a regular base rate of pay with no differential increase.

CMH just reduced these rates from 25% to 18% with per diem and 35% to 18% with extra shift differential. Why are they being reduced again?

In addition to our budgetary challenges, we have been monitoring the hospital competitive market rates and differentials paid to incent staff to assume additional hours. Review of similar healthcare systems indicates a shift away from these types of incentives.

Will CMH re-establish a differential in any amount for per diem and extra shift differentials?

As of this time, there are no plans to reinstate these differentials. However, as always, we will continue to assess our financial results as well as market competitive pay rates in the future.

8. Require Maintenance Drugs be Purchased @ Employee Pharmacy

SUMMARY:

- ❖ Effective Date: 11.1.10
- ❖ Require that employees fill all prescriptions for maintenance drugs through the in-house CMMC employee pharmacy in order to avoid paying full cost for these prescriptions.

FAQS:

Why are we requiring employees and their dependents on CMH’s medical insurance to fill their maintenance prescriptions at the employee pharmacy at CMMC?

By capturing all maintenance prescriptions at the pharmacy at CMMC, the CMH health plan will save an additional \$400,000 annually. In addition, employees and their dependents will save an estimated \$120,000 annually in co-pays by filling their prescriptions at our pharmacy.

Do I need to use the employee pharmacy for all prescription drugs?

While we encourage employees and their dependents on CMH medical insurance plan(s) to obtain all of their prescriptions from the employee pharmacy, only “maintenance” drugs are required at this point. Non-maintenance prescriptions can be filled at the pharmacy of your choice.

What are maintenance drugs? How will I know which prescriptions need to be filled at CMMC?

Generally, maintenance drugs are drugs one takes continually (e.g. high blood pressure and cholesterol medication, as well as birth control pills.)

CMMC’s Pharmacy Benefits Manager; Innoviant, has a call center that can answer specific questions as to what constitutes a maintenance drug, or if a particular drug used is on their “maintenance” list. The call center phone number is 1-877-559-2955

What is the schedule and contact information for the CMMC Pharmacy?

The pharmacy is open 7-4:30 Monday through Friday.

- ❖ Phone 795-7177
- ❖ Fax # 795-7552
- ❖ Email address is employpr@cmhc.org.

Emails can only be sent from your cmhc.org email address, and outside emails will not make it through. Messages or requests for refill may be left on the answering service or emailed at any hour.

What if I need a new maintenance drug filled on the weekend or evenings?

You will be allowed to fill your new maintenance drug prescriptions one-time (30, 60 or 90 day fill) at an outside pharmacy. Subsequent refills will not be covered at retail pharmacies and must be filled at the CMMC pharmacy to be covered by our medical insurance.

Can I get my prescriptions sent to me by U.S. Mail?

Yes, requested prescriptions can be mailed to your home at no additional charge.

As a Rumford or Bridgton Hospital employee, can I obtain my maintenance prescriptions from my hospital pharmacy?

While you cannot have your prescriptions filled at the Bridgton or Rumford pharmacy, you can request to have your prescription delivered from the employee pharmacy at CMMC to the Rumford or Bridgton Hospital pharmacy for pickup. Home delivery via US mail is another option.

Other than my home, or the Bridgton or Rumford Hospital pharmacy, can my prescription be delivered anywhere else, such as directly to my office or work area?

No. Other than picking up at the employee pharmacy at CMMC, the Bridgton/Rumford Hospital pharmacy, or having your prescription mailed directly to you or your insured dependent’s home, your

prescription cannot be delivered anywhere else.

Can I obtain more than a one month supply at a time?

Yes, you can request a 30, 60 or 90 day supply at the time of fill or refill. Your physician may need to re-write the prescription to allow for a 2 or 3 month fill.

Will my manager or co-workers know what drugs I am taking now that the employee pharmacy at CMMC will be filling my maintenance prescriptions?

No. The rules around patient confidentiality and protected health information (HIPAA) apply regardless of the pharmacy. Only personnel directly involved with the employee prescription service will have access to your information. In addition, all employee pharmacy records are maintained on a separate computer system serving the employee pharmacy only.

Will I be able to find out what prescriptions my dependents are taking now that the employee pharmacy at CMMC will be filling their maintenance prescriptions?

No. The rules around patient confidentiality and protected health information (HIPAA) apply regardless of the pharmacy. Only the personnel directly involved with the employee prescription service will have access to any prescription information.

Will my co-pays be different given the requirement to fill my prescriptions at CMMC?

Co-pay levels vary depending on drug type, but are generally lower at the CMMC employee pharmacy relative to other retail pharmacies.

Projected savings for employees relative to co-pays for maintenance drugs purchased over the last 12 months at retail pharmacies is estimated at \$120,000.

How do I transfer my existing prescriptions to CMMC from my current pharmacy?

Provide the employee pharmacy with the pharmacy name, prescription #, and the drug name. The CMMC pharmacy will arrange the transfer. Please note that initial transfers may take up to 3 business days.

You can initiate your transfers, and begin to use the CMMC pharmacy not only for the mandatory maintenance drugs but for any prescriptions, even ahead of the November 1st start.

How will my dependents access the CMMC pharmacy when residing out of state, in college, etc.?

Prescription refills can be initiated by phone, e-mail, fax, etc. and the prescription then mailed to the dependent's home or school residence.

What about controlled substances? I understand that they are not allowed by law to be mailed.

We do mail via the US Mail controlled substance prescriptions to home or dorm addresses. We do not mail them to work addresses.

Can I request an auto-refill arrangement with the pharmacy?

The CMMC pharmacy does not offer auto refills.

9. Switch to New Medical Insurance Provider Network

SUMMARY:

- ❖ Effective Date: 10.1.10
- ❖ Changing our medical insurance network from PHCS to United Healthcare Options PPO to access lower negotiated rates without compromising provider access.

FAQS:

So if a provider is listed in the United Healthcare Options PPO as “in-network,” will I get 90% co-insurance on these services as opposed to 70%?

No. While the provider in the UHC Options PPO will accept your insurance card, the co-insurance level is 70%, not 90%. Only providers in the CMH family, or PHO, are reimbursed at 90% co-insurance, as always.

Does this mean we are getting rid of UMR? Will I need new contact information, forms etc?

We are not getting rid of UMR. They will continue to administer our medical and dental insurance plans. You will be using the same contact info and UMR forms going into 2011. We are not changing benefit administrators.

How will this new network save CMH, and me as an employee, money?

United Healthcare has one of the largest volumes of contracted providers and insured lives in the country. Therefore, the negotiated rates paid to providers outside of CMH for various services is lower than the negotiated rates that were available previously.

As a result, both you and CMH, while paying the same percentage shares (e.g. 90% CMH, 10% co-insurance payment by the employee), will be paying a percentage of a lower total dollar amount. It is estimated that these better rates will save CMH in excess of \$1 million and our employees \$300-400,000 a year.