

You and Your Benefits



HEALTH SERVICES, INC.

September 2006

Benefit Coverage

Milwaukee Health Services Inc. provides a comprehensive benefit program designed to assist our employees and their families in meeting the financial burdens that can result from illness, disability and death, and to help them plan for their retirement.

This handout highlights some features of our benefit plans. These plans are described more fully in the Summary Plan Descriptions (SPD) that are available for each plan. Complete descriptions of all our benefit plans are contained in our master contracts and documents held in our Human Resource Department. As carefully as we try to write these highlights and the Summary Plan Descriptions, these highlights cannot replace or change any provision of the master documents that actually govern and control your benefits.

Milwaukee Health Services, Inc. has the right to alter or change any benefits within the realm of Wisconsin law.

Benefit Elections

If employees do not select medical or dental coverage when they become eligible, they will have to wait until the next open enrollment period to join. The benefit elections that employees select will remain in effect for the rest of the plan year until the next open enrollment, unless they have a change in their family or employment status that is considered to be a qualifying event in accordance with governing laws. Human Resources must be notified within thirty (30) days of a change in family status (i.e. birth, marriage, divorce, loss of other coverage, etc.) to be eligible to add or drop a dependent. Employees may not drop or change their coverage during the plan year.

Eligibility for Medical and Dental Programs

Should the employee choose to participate in our medical and/or dental programs, their coverage will begin on the first day of the month following ninety (90) days of employment with MHSI. (Example: if the employee starts their job on March 21, their medical and dental coverage would begin on July 1.)

Medical Coverage

Full-time employees, and some part-time employees, are eligible to participate in MHSI's medical program. The Employee's contribution is approximately 19 to 23% of the total Premium, depending on coverage chosen. This contribution is deducted semi-monthly directly from the employee's paycheck, on a pre-tax basis. (See Summary of Benefits for plan design).

Eligible employees can choose Employee Only, Employee and Spouse, Employee and Child(ren) or Family coverage. To enroll, the employee must complete and return the enrollment form to the Human Resource Department at least one month in advance of the effective date of coverage. Forms that are received after the eligibility date will not be valid. The employee will have to wait until the next annual open enrollment to join the plan unless he or she has a change in employment or family status that would qualify him or her to enroll earlier. Please contact Human Resources for a complete list of qualifying events that may apply.

Health Reimbursement Arrangement

The Health Reimbursement Agreement (HRA) is a benefit that goes along with MHSI's medical insurance plan. Anthem Blue Cross Blue Shield assigns each family member a fixed deductible, according to MHSI's plan. Once the employee or the employee's covered spouse or dependant has incurred their portion of the deductible (set annually by MHSI, usually during Open Enrollment), all deductibles that he or she incurs for the rest of the HRA plan year are reimbursed by Milwaukee Health Services, Inc., up to the maximum individual deductible, using a third party administrator, Process Works. Claim forms are available at www.myprocessworks.com.

Supplemental Dental Coverage

MHSI's dental coverage is voluntary and provided through Fortis Benefits. Employee pays 100% of the plan premium. Eligibility begins the first of the month following ninety (90) days of employment.

Fortis Benefits offers a choice of two plans. Both plans feature:

- Freedom of choice of dentists (including specialists)
- Nationwide coverage
- Preferred Provider Organization (PPO) option, which may reduce out-of-pocket expenses by up to 20%
- Fast and accurate claim service
- Twelve month guarantee rate

The Freedom Basic Plan provides coverage for the most common dental procedures. The Freedom Advance Plan also offers valuable protection, with increased benefits over the Freedom Basic Plan. (See Summary of Benefits for plan design).

If the employee does not select dental coverage by the eligibility date, he or she will have to wait until the next annual open enrollment period to join the plan unless he or she has a change in employment or family status that would qualify him or her to enroll earlier. Please contact Human Resources for a complete list of qualifying events that may apply. The benefit elections that are selected will remain in effect for the rest of the plan year until the next annual open enrollment, unless you experience a qualifying event as allowable by law. Please contact Human Resources for a complete list of qualifying events that may apply.

Human Resources must be notified within 30 days of a change in family status (i.e. birth, marriage, divorce, annulment, loss of other medical coverage, spouse gets a new job or spouse leaves/loses job) in order to add or drop a dependent. **You may not add, drop or change your coverage during the plan year, unless you experience a qualifying event** as allowable by law. Please contact Human Resources for a complete list of qualifying events that may apply.

Vision Discount Program: Fortis Benefits automatically provides the Vision Service Plan (VSP) as part of the dental plan at no additional cost. The vision plan is not insurance, it is a discount. Providers are subject to change without notice. The employee must sign up for dental insurance to receive this benefit. There

are no waiting periods and no deductibles. In addition, Protective Vision Plan benefits cover the employee and his/her entire household.

Saving is simple:

1. Locate a VSP doctor near you, by calling 1-800-877-7195, or visiting the website at www.vsp.com.
2. Choose any Plan Provider from the list and call to schedule an appointment.
3. Always take the plan membership card with you – it shows your family is entitled to the plan benefits.
4. Receive instant savings on eye exams and contact lenses exams. You'll also save on frames, lenses, lens adds-ons, contacts, and prescription sunglasses.
5. There are no claim forms or reimbursement checks – you simply pay the plan provider the reduced plan fees at the time of service.

With your VSP membership, you'll even save on designer eyewear! There is no restriction on size, style, quantity or manufacturer when it comes to choosing your eyewear.

All of our Participating Providers have been carefully screened for license standing, professional liability insurance, and office standards. You are welcome to visit the plan provider of your choice – and you can change providers as often as you like – without notification.

Life Insurance

MHSI provides you with life insurance coverage equal to one times your base salary. Life insurance coverage is fully paid by MHSI. Coverage for this benefit will begin the first of the month following 90 days from the date of hire. Enrollment is automatic, however, you must return the benefit form stating your beneficiary to Human Resources. You can change your beneficiary at any time by submitting a new beneficiary form.

Voluntary Employee Benefits

MHSI offers its employees the opportunity to purchase supplementary benefits including, but not limited to:

- Voluntary Term Life Insurance
- Voluntary Disability Insurance
- Critical Illness Insurance
- AccidentCare Insurance
- Cancer Security Insurance

These are VOLUNTARY benefits; employees do not have to participate.

Representatives from Colonial Life & Accident Insurance Company will hold quarterly meetings to review and enroll employees in voluntary benefits of their choice. These meetings are currently held the second Tuesday of each quarter.

Continuing your Health Coverage (COBRA)

In accordance with the Consolidated Omnibus Budget Reconciliation Act of 1996 (COBRA) you (and any dependents covered under your benefit plan) will be entitled to continue medical/and or dental coverage in the event of: termination of employment, reduction in hours which results in a loss of benefit status, death, divorce, or a dependent reaching the maximum age limit.

It is the employee's responsibility to contact Human Resources, within 30 days from the date of a change in family status, so proper COBRA notification can be sent to the family members involved. COBRA letters detailing costs and maximum length of coverage will be sent out after the qualifying event occurs. Certificates of Coverage will be sent out by the insurance company upon termination in accordance with the Health Insurance Portability and Accountability Act of 1996 (HIPAA). To inform employees of their rights under the COBRA and HIPAA laws, information will be mailed to the employee's address upon enrolling in the plan.

Retirement Plan

Milwaukee Health Services, Inc. encourages its employees to plan ahead for their retirement at the earliest possible opportunity. Equi-Vest, a Tax-Sheltered Annuity 403(b) Plan administered by AXA Advisors, will assist employees with this goal. All employees are eligible to enroll in the plan; however, only employees working thirty (30) or more hours per week, and who have completed at least one year of service, are eligible to receive contributions by Milwaukee Health Services, Inc. In addition, other eligibility restrictions may apply.

Eligible employees, who have contributed at least \$520 of their pay through automatic payroll deduction during the previous fiscal year, will receive a contribution at the beginning of the next fiscal year, on or around February 1st. Contribution amounts are solely determined by the Board of Directors on an annual basis. Funds contributed by Milwaukee Health Services, Inc. are fully vested at the time of the contribution.

Milwaukee Health Services, Inc. reserves the right to amend or eliminate this benefit at any time with or without notice.

Holidays

The following days will be granted to eligible full-time and part-time employees as holidays with pay:

New Year's Day	Thanksgiving Day
Martin Luther King Day	Day after Thanksgiving*
Good Friday*	Christmas Eve*
Memorial Day *	Christmas Day
Fourth of July	New Year's Eve*
Labor Day	

* Subject to change upon direction and authorization by the President/CEO.

Eligible full-time employees will be compensated for eight (8) hours of pay for any given holiday. Eligible part-time employees will be compensated for the number of hours they would have been scheduled to work had the holiday not occurred.

Vacation

MHSI provides and encourages time off, with pay, for the purpose of rest and relaxation and, when necessary, to address scheduled personal commitments or obligations.

Vacation begins to accrue upon Date of Hire, but cannot be used/taken until six months of continuous employment has been successfully completed.

Full-time employees accrue vacation in the following manner, however; only five (5) days can be carried over from one year to the next.

Non-Exempt Employees		Exempt Employees	
• Up to 1 year	80 hours	• Up to 1 year	10 Days
• 1 to 4 years	120 hours	• 1 to 4 years	15 Days
• 5 to 9 years	160 hours	• 5 to 9 years	20 Days
• 10 plus years	200 hours	• 10 plus years	25 Days

Full-time providers will accrue vacation and Continuing Medical Education (CME) time off in the following manner, however; only five (5) vacation days can be carried over from one anniversary to the next. CME time cannot be carried over from one anniversary to the next.

• Up to 4 years	15 days,	5 days CME
• 5 to 9 years	20 days,	5 days CME
• 10 plus years	20 days,	10 days CME

Part time employees who work between thirty to thirty-nine (30-39) hours are entitled to accrue vacation at the following rate:

Non-Exempt Employees		Exempt Employees	
• Up to 1 year	60 hours	• Up to 1 year	8 Days
• 1 to 4 years	90 hours	• 1 to 4 years	12 Days
• 5 to 9 years	120 hours	• 5 to 9 years	15 Days
• 10 plus years	150 hours	• 10 plus years	19 Days

Sick Leave

Full-time employees will accrue forty-eight (48) hours of sick leave each calendar year, cumulative up to 480 hours, to be used in case of medically approved illness. Sick leave is accrued at the rate of 1.85 hours per pay period beginning with the date of hire, but cannot be used/taken by non-exempt employees until six months of continuous employment has been successfully completed. Exempt employees may begin using sick leave upon completion of 90-days of employment.

Part-time employees who work between thirty and thirty-nine (30-39) hours will accrue thirty-six (36) hours of sick leave each calendar year, cumulative up to 360 hours, to be used in case of medically approved

illness. Sick leave is accrued at the rate of 1.39 hours per pay period beginning with the date of hire, but cannot be used/taken until six months of continuous employment has been successfully completed.

Sick leave may be used for the employee, spouse and financially dependent children. Maternity and paternity leave may be charged against sick leave.

At the time of separation from the Company, (either voluntary or involuntary), an employee will not receive compensation in lieu of any unused sick leave.

Personal Leave Of Absence

On occasion, an employee may be unable to work for a period of time due to personal reasons. Depending upon all the circumstances, including business needs, a personal leave of absence may be granted for limited periods at the discretion of the President/CEO.

Family Medical Leave

Wisconsin law requires certain employers to grant family and medical leaves of absence to eligible employees. Wisconsin employers follow both state and federal family and medical leave laws. Where Wisconsin and federal provisions differ the one most favorable to the employee must be followed. The Human Resource Department will supply details of these laws.

Jury Duty

Any time taken off for jury leave is treated as a paid absence for employees. MHSI continues the employee's salary during the period of active jury leave less any compensation provided by the court. The monies received will be remitted to the Corporation, minus any parking or transportation reimbursements.

Military Leave

Employees who are members of the Reserved Federal and State Armed Forces will be allowed a maximum of fifteen (15) days military leave with pay. The Corporation will pay the difference between military pay and his/her regular pay. Any military leave of absence in excess of fifteen (15) calendar days per year must be taken as annual leave. In the event the employee has been called to active duty the employee's position shall be filled temporarily. The President/CEO shall have complete authority over how long the employee's position, medical insurance, dental insurance, and life insurance will be maintained by the Corporation.

Worker's Compensation

MHSI is a covered employer under the worker's compensation law. Should the employee sustain a work-related injury, MHSI's worker's compensation insurance will provide medical coverage and income replacement for the period of the employee's disability. MHSI insures its worker's compensation obligation to employees by purchasing insurance from a private insurance company.

Bereavement Leave

In the event of a death in the immediate family, MHSI provides employee time off with pay up to a maximum of three (3) days for immediate family members. Immediate family is defined as a spouse, children, siblings, parents, grandparents, great-grandparents, grandchildren, father-in-law and mother-in-law.

Continuing Education

The Corporation may reimburse eligible employees, after one year of service, for the actual cost of Continuing Professional Education (CPE) up to the following limits when the employee's supervisor and the President/CEO approve such CPE. Subject to budgeting availability.

Physicians and Mid-level providers may receive up to five (5) days paid leave and \$1500 per year for continuing education. Senior Administrative Staff may receive up to five (5) days paid leave and \$1000 per year for continuing education. All other MHSI staff may receive up to two (2) days paid leave and \$300 per year for continuing education. All benefits are contingent upon budget restraints. This leave is designed for academic courses required to meet professional licensing requirements or for courses that benefit the Corporation.

Relocation Policy

This policy covers the allowable relocation expenses incurred in the transfer of newly hired employees. Application of this practice may vary to the extent that the terms of a Company Contract, scope of project activity, or applicable government regulation may affect relocation expenses.

Contingent upon budget limitation and with approval by the board of directors, relocation expenses can be provided to key employees of the Corporation and other difficult-to-recruit positions, as identified by the President/CEO. Expenses less than or equal to \$1,500 do not require board approval. The period involved is not expected to be in excess of six (6) months, and the new employee's present residence must be outside a 100-mile radius of assigned Company business location.

Should relocation be deemed necessary, the President/CEO in conjunction with the Board of Directors must approve it, subject to limitations described above.

Professional Malpractice Insurance

It is the Corporation's policy to provide liability coverage protecting staff members for liability arising from daily job performance. The Federal Tort Claims Act (FTCA) offers protection to qualified physicians and mid-level medical providers for services provided to the Corporation.