

Standard Operating Procedure

Employee Healthcare Benefits Program

Document Number:	HR-SOP-005
Effective Date:	January 1, 2026
Last Revised:	January 1, 2026
Approved By:	Director of Human Resources

1. Purpose

This Standard Operating Procedure outlines the comprehensive healthcare benefits available to eligible employees and their families, including enrollment procedures, coverage options, and program details.

2. Eligibility

2.1 Employee Eligibility

- All regular full-time employees working 30+ hours per week
- Benefits begin on the first day of the month following 30 days of employment
- Part-time employees working 20-29 hours per week eligible for limited benefits

2.2 Dependent Eligibility

Eligible dependents include:

- Legal spouse or domestic partner
- Biological, adopted, or step-children up to age 26
- Children over 26 who are permanently disabled (requires documentation)
- Dependent verification required during enrollment

3. Medical Insurance Options

3.1 Plan Overview

The company offers three medical plan options through BlueCross BlueShield, allowing employees to choose the coverage that best fits their needs.

3.2 Platinum PPO Plan

Best for: Employees who want comprehensive coverage with minimal out-of-pocket costs

- Annual Deductible: \$500 individual / \$1,000 family
- Out-of-Pocket Maximum: \$3,000 individual / \$6,000 family
- Office Visit Copay: \$20 primary care / \$35 specialist
- Preventive Care: 100% covered, no copay
- Emergency Room: \$150 copay (waived if admitted)
- Prescription Drug Coverage:
 - Generic: \$10 copay
 - Preferred Brand: \$30 copay
 - Non-Preferred Brand: \$60 copay
 - Specialty Medications: 20% coinsurance up to \$200

Monthly Premium Contributions (Platinum PPO):

- Employee Only: \$95
- Employee + Spouse: \$220
- Employee + Child(ren): \$180
- Family: \$310

3.3 Gold PPO Plan

Best for: Employees who want balanced coverage and costs

- Annual Deductible: \$1,500 individual / \$3,000 family
- Out-of-Pocket Maximum: \$5,000 individual / \$10,000 family
- Office Visit Copay: \$30 primary care / \$50 specialist (after deductible)
- Preventive Care: 100% covered, no copay
- Emergency Room: \$250 copay (after deductible)
- Prescription Drug Coverage:
 - Generic: \$15 copay
 - Preferred Brand: \$45 copay
 - Non-Preferred Brand: \$80 copay
 - Specialty Medications: 25% coinsurance up to \$250

Monthly Premium Contributions (Gold PPO):

- Employee Only: \$55
- Employee + Spouse: \$140
- Employee + Child(ren): \$115
- Family: \$210

3.4 High Deductible Health Plan (HDHP) with HSA

Best for: Employees who want lower premiums and tax advantages through a Health Savings Account

- Annual Deductible: \$2,800 individual / \$5,600 family
- Out-of-Pocket Maximum: \$6,000 individual / \$12,000 family
- Office Visits: Subject to deductible, then 20% coinsurance
- Preventive Care: 100% covered, no copay
- Emergency Room: Subject to deductible, then 20% coinsurance
- Prescription Drugs: Subject to deductible, then:

- Generic: 20% coinsurance
- Brand: 30% coinsurance
- Specialty: 40% coinsurance up to \$300

Monthly Premium Contributions (HDHP):

- Employee Only: \$25
- Employee + Spouse: \$75
- Employee + Child(ren): \$65
- Family: \$125

Health Savings Account (HSA) - Available with HDHP Only:

- Tax-advantaged account for medical expenses
- Company contributes:
 - \$1,000 annually for individual coverage
 - \$2,000 annually for family coverage
 - Contribution deposited quarterly (\$250 or \$500 per quarter)
- Employee may contribute additional pre-tax dollars up to IRS limits
- 2026 IRS limits: \$4,300 individual / \$8,550 family
- Funds roll over year to year (no use-it-or-lose-it)
- Account remains with employee if they leave company

4. Dental Insurance

Dental coverage provided through Delta Dental PPO network

Coverage Details:

- Annual Maximum Benefit: \$2,000 per person
- Annual Deductible: \$50 individual / \$150 family
- Preventive Services (cleanings, exams, X-rays): 100% covered, no deductible
- Basic Services (fillings, extractions): 80% covered after deductible
- Major Services (crowns, bridges, dentures): 50% covered after deductible
- Orthodontia: 50% covered, \$1,500 lifetime maximum

Monthly Premium Contributions:

- Employee Only: \$15
- Employee + Spouse: \$30
- Employee + Child(ren): \$35
- Family: \$50

5. Vision Insurance

Vision coverage provided through VSP Vision Care

Coverage Details:

- Eye Exam: Covered in full every 12 months, \$10 copay
- Lenses: Covered in full every 12 months, \$25 copay

- Frames: \$150 allowance every 24 months, 20% discount on amount over allowance
- Contact Lenses: \$150 allowance (in lieu of glasses) every 12 months
- Laser Vision Correction: Average 15% discount off regular price

Monthly Premium Contributions:

- Employee Only: \$8
- Employee + Spouse: \$16
- Employee + Child(ren): \$18
- Family: \$25

6. Additional Health and Wellness Benefits

6.1 Employee Assistance Program (EAP)

- Confidential counseling services at no cost to employees
- Coverage includes:
 - Mental health counseling (up to 6 sessions per issue)
 - Financial and legal consultations
 - Work-life balance resources
 - Substance abuse support
 - 24/7 crisis hotline
- Available to all employees and household members

6.2 Wellness Program

- Annual health screening at no cost (biometric screening, health assessment)
- Gym membership reimbursement: up to \$30 per month
- Weight management program
- Smoking cessation program with free nicotine replacement therapy
- Wellness challenges with prizes (step challenges, healthy eating, etc.)
- On-site flu shots provided annually
- Lunch and Learn sessions on health topics

6.3 Flexible Spending Accounts (FSA)

Available to employees enrolled in Platinum or Gold PPO plans:

- Healthcare FSA:
 - Contribute up to \$3,200 annually (2026 IRS limit)
 - Use for eligible medical expenses not covered by insurance
 - \$640 may be carried over to following year
 - Pre-tax payroll deductions
- Dependent Care FSA:
 - Contribute up to \$5,000 annually
 - Use for childcare or elder care expenses
 - Must use funds within plan year (no rollover)
 - Pre-tax payroll deductions

7. Life and Disability Insurance

7.1 Basic Life Insurance

- Company-paid benefit for all eligible employees
- Coverage amount: 1x annual salary (up to \$150,000)
- Accidental Death and Dismemberment (AD&D) included at same amount
- No cost to employee

7.2 Supplemental Life Insurance

- Optional coverage available for purchase
- Employee Supplemental:
 - Coverage up to 5x annual salary (maximum \$500,000)
 - Guaranteed issue up to \$150,000 (no medical questions)
 - Amounts over \$150,000 require medical underwriting
- Spouse/Partner Coverage:
 - Up to \$250,000 coverage available
 - Guaranteed issue up to \$30,000
- Child Coverage:
 - \$10,000 coverage per child
 - Covers all eligible children for one premium

7.3 Short-Term Disability (STD)

- Company-paid benefit for all eligible employees
- Coverage: 60% of weekly earnings
- Maximum weekly benefit: \$1,500
- Waiting period: 7 days for illness, 0 days for accident
- Benefit duration: Up to 26 weeks

7.4 Long-Term Disability (LTD)

- Company-paid benefit for all eligible employees
- Coverage: 60% of monthly earnings
- Maximum monthly benefit: \$10,000
- Waiting period: 90 days
- Benefit duration: To age 65 or Social Security Normal Retirement Age

8. Enrollment Procedures

8.1 New Hire Enrollment

- Benefits orientation conducted on first day of employment
- Enrollment must be completed within 30 days of hire date
- Coverage effective first of month following 30 days of employment
- Failure to enroll within 30 days requires waiting until next open enrollment
- Enrollment completed online through benefits portal

8.2 Annual Open Enrollment

- Held each year in November for January 1 effective date
- All employees may add, drop, or change coverage
- Open enrollment period: 3 weeks

- If no changes made, current elections continue to next year
- Benefits team available for one-on-one consultations

8.3 Qualifying Life Events (QLE)

Employees may change benefits outside open enrollment due to qualifying events:

- Marriage or divorce
- Birth or adoption of child
- Loss of other coverage
- Death of spouse or dependent
- Change in employment status (full-time to part-time or vice versa)
- Significant change in spouse's employment status
- Changes must be reported to HR within 30 days of event
- Documentation required for all qualifying events

9. COBRA Continuation Coverage

- Available when employment ends or hours reduced below eligibility threshold
- Allows continuation of medical, dental, and vision coverage for limited time
- Duration:
 - 18 months for termination or reduction in hours
 - 36 months for certain other qualifying events
- Employee pays full premium plus 2% administrative fee
- COBRA notice provided within 14 days of qualifying event
- Employee has 60 days to elect COBRA coverage

10. Claims and Appeals

- File claims directly with insurance carriers (contact information on ID cards)
- Explanation of Benefits (EOB) sent for each claim processed
- If claim denied, employee may file appeal with carrier within timeframe specified in denial
- HR available to assist with claim questions or appeals process
- Contact HR benefits coordinator for complex issues or assistance

11. Resources and Support

- Benefits Help Desk: benefitshelp@company.com or extension 2400
- Benefits portal: www.company.com/benefits (access with employee ID)
- Insurance carrier contact information available on benefits portal
- Provider directories available online through carrier websites
- Benefits coordinator available for appointments Monday-Friday, 9 AM - 4 PM
- Annual benefits fair held during open enrollment period

12. Important Notices

- All benefits subject to terms and conditions of insurance policies and plan documents
- Company reserves right to modify, amend, or terminate benefits at any time

- This document is a summary only; official plan documents govern in case of discrepancy
- Employees should review Summary Plan Descriptions (SPDs) for complete details
- Premium contributions and coverage details subject to change annually