

your benefits 2012

This summary provides a brief guide to Summit Healthcare's employee benefits plans. More detailed information on each plan can be found in the Summary Plan Document, Plan Certificates or Summaries of Coverage that accompany each of these plans.

Summit Healthcare is pleased to provide you and your family with a comprehensive benefits package. We believe our success is due to the efforts of our most valued resource, our employees. We are committed to providing high quality, market competitive benefits to our employees at an affordable cost.

Summit Healthcare provides the following benefit plans to our employees, which are explained further in this benefits summary:

Medical Plan:

A choice of 3 medical plan options, Summit, Peak and Pinnacle (HDHP/HSA), so you can choose the coverage option best-suited for you and your family's health care needs. AmeriBen administers the claims for all 3 plans and coverage is provided through the Blue Cross Blue Shield of Arizona (BCBSAZ) network. Prescription drug coverage is provided through a separate pharmacy benefits manager.

Note: Covered participants such as college students who reside outside of Arizona can access in-network coverage through the PHCS Healthy Directions network.

Dental Plan:

Low and High Option PPO dental plans offered through the Principal Financial Group. Summit pays for 100% of 'employee only' coverage and a majority of the cost for family coverage under the Low Option plan.

Vision Plan:

Summit offers a vision benefit to employees enrolled in one of the medical plans with claims paid by AmeriBen. There is no additional cost for 'employee only' vision coverage and a small cost for family vision coverage.

Flexible Spending Accounts (FSAs):

Summit offers both a pre-tax Health Care Spending Account and a pre-tax Dependent Care Spending Account to help you save money on taxes. A separate "limited purpose" FSA is available for those enrolled in the HDHP/HSA Pinnacle Plan.

Life Insurance/Accidental Death and Dismemberment (AD&D):

Summit provides a 100% employer paid life insurance/AD&D benefit through the Mutual of Omaha.

Voluntary Term Life Insurance/AD&D:

Summit offers employees the opportunity to purchase additional term life insurance/AD&D for you, your spouse and your child(ren) through a Mutual of Omaha voluntary term life insurance/AD&D plan.

Long Term Disability (LTD) Plan:

Summit provides 100% employer paid LTD coverage through the Mutual of Omaha for employees in benefitted positions of 32 hours or more per week who have completed the 30 day waiting period.

Voluntary Ancillary Benefits:

Summit offers employees the opportunity to purchase additional coverage through AFLAC voluntary plans.

403(b) Plan:

Summit offers eligible employees the opportunity to save for retirement through a pre-tax 403(b) retirement savings plan. Summit encourages employees to participate in this plan by matching dollar for dollar up to 4% of your allowable compensation. Employer contributions begin after one year of employment. Employees must be actively participating in the plan to receive the employer match.



IMPORTANT INFORMATION REGARDING PLAN CHANGES

Please consider your benefit plan choices carefully and complete and return all the required forms to Human Resources within the required deadline for enrollment when initially eligible for benefits upon hire. Following initial enrollment, benefit plan changes can only be made once a year during annual open enrollment on January 1 (open enrollment meetings are typically held in October or November with changes effective on January 1).

BENEFIT PLAN ELIGIBILITY

You and your dependents become eligible for benefits after the following waiting periods have been met:

Full time and part time employees are eligible for medical, dental, vision, employer paid life insurance/AD&D and voluntary life insurance/AD&D benefits the first of the month following 30 days of employment. You must work at least 24 hours per week to be eligible for these benefits. You must work at least 32 hours per week to be eligible for Summit's employer paid Long Term Disability (LTD) plan.

Your dependents include:

- Legal Spouse
- Children, if eligible dependents, are covered up to age 26 regardless of student status

Spousal Eligibility Restriction Applicable to Medical, Dental and Vision Coverage

If an employee's spouse is eligible for medical, dental and/or vision coverage through their employer, they are not eligible to participate as a member under Summit Healthcare's plan(s). Employees are required to complete a "Verification of Spousal Coverage" form, provided by HR, to certify upon hire and at annual enrollment that their spouse does not have access to other medical, dental and/or vision coverage. The absence of other medical, dental and/or vision coverage for a spouse will establish eligibility, and the spouse may be added to Summit's plan(s). If the spouse becomes eligible for medical, dental and/or vision coverage at any time through his or her employer, it is the employee's responsibility to notify HR immediately to have the spouse removed from Summit's plan(s).

Remember...

Any plan changes you want to make related to a Qualifying Event must be requested in writing within 30 days of the Qualifying Event date.



MEDICAL/PRESCRIPTION DRUG PLAN

Summit Healthcare's medical plan claims administrator is AmeriBen. The provider network is Blue Cross Blue Shield of Arizona (BCBSAZ). Employees and covered dependents must see in-network BCBSAZ providers to obtain in-network benefits. It is important to see providers in the BCBSAZ network to ensure you pay lower out-of-pocket costs under all plan options. The benefits shown in the chart on the next page reflect your benefits for the Summit, Peak and Pinnacle plans. If you go outside of the BCBSAZ network under any of these plans, you will pay higher non-network costs. In addition, Summit Healthcare has added a White Mountain Network for those providers in the BCBSAZ Network that are on the Mountain in the Show Low, Pinetop, Snowflake, Taylor, Heber, Overgaard, Holbrook and Springerville area. These are provided under Tier 1 for all three (3) plan options and you will incur lower out of pocket costs if you utilize the Tier 1, White Mountain Network. In addition, you will have greater savings if you see a SHRMC doctor or go to a SHRMC facility. To find providers in the BCBSAZ network, please go to the BCBSAZ website or call the BCBSAZ Customer Service number provided on the Contact Information page at the end of this benefits guide.

A brief summary of the coverage and rates for each plan is shown on the next page. Deductibles and maximum out-of-pocket costs are administered on a calendar year basis.

Network for Dependents Residing Out of State – PHCS Healthy Directions

A network called PHCS Healthy Directions is offered to dependents covered under your medical plan who reside out of state (e.g. college students). This allows dependents to have in-network coverage outside of Arizona. It is important your dependents see physicians and use facilities in the PHCS Healthy Directions network to obtain in-network benefits. Please go to the PHCS Healthy Directions website at www.phcs.com or call their customer service number listed on the Contact Information page in this guide to look up in-network providers in specific cities.

Medical Plan/Prescription Drug ID Cards

You will be mailed a combined BCBSAZ/Express Scripts ID card to verify coverage for your health care providers and obtain prescriptions at your pharmacy. This card will also display the PHCS Healthy Directions logo for your covered dependents residing or who go to school out of state. This card must be shown to participating BCBSAZ and PHCS Healthy Directions providers or participating Express Scripts pharmacies to verify coverage. Additional ID cards can be ordered by going to www.myameriben.com. ID cards will be mailed to your home address.

Disease Management

If you or a family member suffers from a chronic condition you can elect to enroll in the AmeriBen Compass Medical Disease Management Program. As a participant in this program you will receive a customized plan of care, education and support to help you take control and manage your condition. Please call 1-800-388-3193 Monday - Friday, 8-5 to enroll or obtain additional information

PRESCRIPTION DRUG BENEFITS

Express Scripts is the prescription drug plan provider for the retail and mail order programs. Your medical/prescription drug ID card must be presented to a participating Express Scripts pharmacy to verify coverage and be charged the correct copay. Your prescription benefits are based on the Express Scripts' Formulary. The formulary is a list of prescription drugs approved by the plan and can change throughout the year as new generic alternatives or brand name drugs are introduced.

Glucose Monitoring Program

Summit Healthcare offers a Glucose Monitoring Program. Employees and dependents covered under one of the Summit Healthcare medical plans who have been identified by AmeriBen as having diabetes will receive targeted communication from Express Scripts regarding the importance of monitoring blood glucose levels, the benefits of effective blood glucose management, savings from using preferred glucose supplies (e.g. test strips on the Express Scripts' formulary) and an offer to receive a no-cost blood glucose monitor kit. This program will help to avoid long-term diabetes related complications, decrease overall health care costs and improve overall health outcomes.

Prescription Drug Home Delivery Program

Employees who take maintenance drugs for high cholesterol, high blood pressure, diabetes, birth control, etc. are encouraged to use the Express Scripts home delivery program to save money and for the convenience of home delivery. Express Scripts will fill your prescription at their mail order pharmacy, charge the appropriate copay and mail the prescription(s) directly to your home. If you wish to start using the mail order program, ask your doctor for a one year prescription for your medication(s), complete an Express Scripts mail order form and send the prescription(s) and the form to the Express Scripts mail order pharmacy. You will receive your medication within 7 to 10 days (slightly longer the first time you sign up). Shipping is free unless you request overnight delivery. To order refills, just go on-line to Express Scripts or call their toll free customer service number listed on the Contact Information page of this booklet. You can go on-line to Express Scripts to obtain a mail order form or see Jill Bluse in Summit's HR Department.

SUMMIT HEALTHCARE MEDICAL PLAN OPTIONS

| SUMMIT HEALTHCARE REGIONAL MEDICAL CENTER 2012 MEDICAL PLAN OPTIONS | Summit | | |
|---|---|--|---|
| | Tier 1 White Mountain Network (WMN) | Tier 2 BCBSAZ Network | Tier 3 Non-Contracted |
| Description of Coverage | | | |
| In-Network and Out-of-Network Deductible (Individual ♦ Family) | \$250 ♦ \$750 | \$1,000 ♦ \$3,000 | \$2,000 ♦ \$6,000 |
| Coinsurance (on allowed amount) | 100% ♦ 0% | 80% ♦ 20% | 60% ♦ 40% |
| Pharmacy Deductible (Pinnacle only) | n/a - See Prescription Drug Copays at bottom of chart | n/a - See Prescription Drug Copays at bottom of chart | n/a - See Prescription Drug Copays at bottom of chart |
| Pharmacy Coinsurance (Pinnacle only) | | | |
| Pharmacy Out of Pocket Maximum (Pinnacle only) (Rx deductible does apply to the Medical deductible) | | | |
| In-Network and Out-of-Network Out-of-Pocket Maximum (Individual ♦ Family) | \$0 | \$4,000 ♦ \$8,000 Deductible does not apply to out-of-pocket maximum | \$6,000 ♦ \$12,000 Deductible does not apply to out-of-pocket maximum |
| Lifetime Max | Unlimited | Unlimited | Unlimited |
| Preventive Care | | | |
| Office Visits | 100% Covered | 100% Covered | 100% Covered |
| Lab | 100% Covered | 100% Covered | 100% Covered |
| X-Ray | 100% Covered | 100% Covered | 100% Covered |
| Mammograms (Restrictions apply) | 100% Covered | 100% Covered | 100% Covered |
| Colonoscopies (Restrictions apply) | 100% Covered | 100% Covered | 100% Covered |
| Office Visit - Non-Preventive (Primary Care ♦ Specialist) | \$20 | \$25 ♦ \$50 | 60% ♦ 40% after deductible |
| Naturopathic Office Visits – Paper claims must be submitted manually to AmeriBen | \$20 6 visits maximum per year \$1,200 annual maximum | \$20 6 visits maximum per year \$1,200 annual maximum | \$20 6 visits maximum per year \$1,200 annual maximum |
| Lab | | | |
| Physician's Office | \$20 | 80% ♦ 20% no deductible | 60% ♦ 40% after deductible |
| Freestanding Facility | 100% covered if at SHRMC facility/\$20 if at WMN facility | 80% ♦ 20% no deductible | 60% ♦ 40% after deductible |
| Outpatient Hospital | \$20 | 80% ♦ 20% no deductible | 60% ♦ 40% after deductible |
| X-Ray (Excluding Specialty Scans) | | | |
| Physician's Office | \$20 | 80% ♦ 20% no deductible | 60% ♦ 40% after deductible |
| Freestanding Facility | \$20 | 80% ♦ 20% no deductible | 60% ♦ 40% after deductible |
| Outpatient Hospital | 100% covered | 80% ♦ 20% after deductible | 60% ♦ 40% after deductible |
| Specialty Scans (MRI ♦ PET ♦ CT) | | | |
| Freestanding Facility | 100% covered if at SHRMC facility/\$100 if at WMN facility | 80% ♦ 20% after deductible | 60% ♦ 40% after deductible |
| Outpatient Hospital | 100% covered | 80% ♦ 20% after deductible | 60% ♦ 40% after deductible |
| Inpatient Hospitalization | 100% after deductible | 80% ♦ 20% after deductible | 60% ♦ 40% after deductible |
| Emergency Room | \$100 | \$100 then 80% ♦ 20% after deductible | \$100 then 80% ♦ 20% after deductible |
| \$100 Copayment waived if admitted? | Yes | Yes | Yes |
| Urgent Care | \$50 | \$50 | \$50 then 60% ♦ 40% after deductible |
| Prescription Drugs | | | |
| Retail | \$10 ♦ \$25 ♦ \$40 | \$10 ♦ \$25 ♦ \$40 | 60% ♦ 40% after deductible |
| Mail Order | \$20 ♦ \$50 ♦ \$80 | \$20 ♦ \$50 ♦ \$80 | n/a |

| Peak | | | Pinnacle (HDHP Plan) | | |
|---|--|---|--|---|---|
| Tier 1 White Mountain Network (WMN) | Tier 2 BCBSAZ Network | Tier 3 Non-Contracted | Tier 1 White Mountain Network (WMN) | Tier 2 BCBSAZ Network | Tier 3 Non-Contracted |
| \$500 ♦ \$1,000 | \$1,500 ♦ \$4,500 | \$3,000 ♦ \$6,000 | \$1,250 ♦ \$2,500 | \$2,500 ♦ \$5,000 | \$3,000 ♦ \$6,000 |
| 100% ♦ 0% | 80% ♦ 20% | 60% ♦ 40% | 100% ♦ 0% | 90% ♦ 10% | 60% ♦ 40% |
| n/a - See Prescription Drug Copays at bottom of chart | n/a - See Prescription Drug Copays at bottom of chart | n/a - See Prescription Drug Copays at bottom of chart | \$1,250 ♦ \$2,500 | \$1,250 ♦ \$2,500 | \$3,000 ♦ \$6,000 |
| | | | 90% ♦ 10% | 90% ♦ 10% | 60% ♦ 40% |
| | | | \$3,000 ♦ \$6,000 | \$3,000 ♦ \$6,000 | \$6,000 ♦ \$12,000 |
| \$0 | \$6,000 ♦ \$12,000 Deductible does not apply to out-of-pocket maximum | \$12,000 ♦ \$24,000 Deductible does not apply to out-of-pocket maximum | \$3,000 ♦ \$6,000 Deductible applies to out-of-pocket maximum | \$6,000 ♦ \$12,000 Deductible applies to out-of-pocket maximum | \$6,000 ♦ \$12,000 Deductible applies to out-of-pocket maximum |
| Unlimited | Unlimited | Unlimited | Unlimited | Unlimited | Unlimited |
| 100% Covered | 100% Covered | 100% Covered | 100% Covered | 100% Covered | 100% Covered |
| 100% Covered | 100% Covered | 100% Covered | 100% Covered | 100% Covered | 100% Covered |
| 100% Covered | 100% Covered | 100% Covered | 100% Covered | 100% Covered | 100% Covered |
| 100% Covered | 100% Covered | 100% Covered | 100% Covered | 100% Covered | 100% Covered |
| 100% Covered | 100% Covered | 100% Covered | 100% Covered | 100% Covered | 100% Covered |
| \$25 | \$30 ♦ \$60 | 60% ♦ 40% after deductible | 100% after deductible | 90% ♦ 10% after deductible | 60% ♦ 40% after deductible |
| \$25 6 visits maximum per year \$1,200 annual maximum | \$25 6 visits maximum per year \$1,200 annual maximum | \$25 6 visits maximum per year \$1,200 annual maximum | 100% after deductible \$1,200 annual maximum | 100% after deductible \$1,200 annual maximum | 100% after deductible \$1,200 annual maximum |
| \$25 | 80% ♦ 20% no deductible | 60% ♦ 40% no deductible | 100% after deductible | 90% ♦ 10% after deductible | 60% ♦ 40% after deductible |
| \$25 | 80% ♦ 20% no deductible | 60% ♦ 40% no deductible | 100% after deductible | 90% ♦ 10% after deductible | 60% ♦ 40% after deductible |
| 100% covered | 80% ♦ 20% no deductible | 60% ♦ 40% no deductible | 100% after deductible | 90% ♦ 10% after deductible | 60% ♦ 40% after deductible |
| \$25 | 80% ♦ 20% no deductible | 60% ♦ 40% no deductible | 100% after deductible | 90% ♦ 10% after deductible | 60% ♦ 40% after deductible |
| 100% covered if at SHRMC facility/\$25 if at WMN facility | 80% ♦ 20% no deductible | 60% ♦ 40% no deductible | 100% after deductible | 90% ♦ 10% after deductible | 60% ♦ 40% after deductible |
| 100% covered | 80% ♦ 20% no deductible | 60% ♦ 40% no deductible | 100% after deductible | 90% ♦ 10% after deductible | 60% ♦ 40% after deductible |
| 100% covered if at SHRMC facility/\$100 if at WMN facility | 80% ♦ 20% after deductible | 60% ♦ 40% after deductible | 100% after deductible | 90% ♦ 10% after deductible | 60% ♦ 40% after deductible |
| 100% covered | 80% ♦ 20% after deductible | 60% ♦ 40% after deductible | 100% after deductible | 90% ♦ 10% after deductible | 60% ♦ 40% after deductible |
| 100% after deductible | 80% ♦ 20% after deductible | 60% ♦ 40% after deductible | 100% after deductible | 90% ♦ 10% after deductible | 60% ♦ 40% after deductible |
| \$100 | \$100 then 80% ♦ 20% after deductible | \$100 then 80% ♦ 20% after deductible | 100% after deductible | 90% ♦ 10% after deductible | 90% ♦ 10% after deductible |
| Yes | Yes | Yes | n/a | n/a | n/a |
| \$75 | \$75 | \$75 then 60% ♦ 40% after deductible | 100% after deductible | 90% ♦ 10% after deductible | 60% ♦ 40% after deductible |
| \$10 ♦ \$30 ♦ \$60 | \$10 ♦ \$30 ♦ \$60 | 60% ♦ 40% after deductible | 90% ♦ 10% after deductible up to out-of-pocket maximum | 90% ♦ 10% after deductible up to out-of-pocket maximum | 60% ♦ 40% after deductible up to out-of-pocket maximum |
| \$20 ♦ \$60 ♦ \$120 | \$20 ♦ \$60 ♦ \$120 | n/a | | | n/a |

WHAT'S AN HDHP/HSA?

Summit offers a High Deductible Health Plan and a Health Savings Account HDHP/HSA plan option as part of your health plan choices. An HDHP and HSA work together to provide you with comprehensive medical/prescription drug plan coverage while at the same time allowing you to save for future medical/prescription drug plan expenses on a pre-tax basis. Medical/prescription drug plan coverage is provided under the HDHP and you can elect to contribute pre-tax dollars to a personal HSA through regular payroll deduction. To be eligible to enroll in an HSA, you must be enrolled in a qualified HDHP. In many ways, this is the best of both worlds because you have comprehensive health care protection under the HDHP, but can reduce your taxable income through regular pre-tax contributions to your HSA which can be used to pay for qualified health care expenses that are applied to your annual HDHP deductible. Just as importantly, HSA funds can be saved over time to pay for future medical expenses.

KEY IRS RULES REGARDING HSA PLANS AND PARTICIPATION

You CAN NOT be covered under another medical plan if you are enrolled in an HSA (Other medical plans include a Flexible Spending Account (FSA), a spouse's plan, a state Medicaid plan such as AHCCCS, the military TriCare plan, Medicare, another employer's group health plan, or any other health care plan).

You CAN NOT utilize a spouse's FSA for uncovered health care expenses (this negates your ability to enroll in an HSA).

You CAN NOT claim covered expenses on a tax return if you used HSA dollars to pay for those expenses (no double dipping).

HOW IS PREVENTIVE CARE COVERED UNDER A HDHP?

Services which are defined by the plan as being Preventive Care are covered at 100% with no deductible.

IS THE HSA 'USE IT OR LOSE IT' LIKE THE FLEX SPENDING ACCOUNT (FSA)?

No. HSA dollars roll over year after year and can be transferred from one financial institution to another. There is no 'use it or lose it' rule that applies.

WHAT HAPPENS TO THE MONEY IN MY HSA IF I LEAVE MY JOB OR RETIRE?

You take the money with you wherever you go. It's your account. If you're on Medicare or go to another employer that doesn't have a qualified HDHP, you can still use your HSA money to pay for co-pays and qualified medical expenses, but won't be able to continue to make contributions to your HSA. Over age 65, you can use your HSA dollars for any reason with no 20% tax penalty.

CAN I TAKE THE MONEY OUT OF MY HSA ANY TIME I WANT?

Yes. You can take money out any time tax-free and without penalty to pay for qualified medical expenses. If you take money out for other purposes, you will have to pay income taxes on the withdrawal plus a 20% tax penalty.

WILL MY EMPLOYER BE CONTRIBUTING? ARE THERE LIMITS ON HOW MUCH I CAN CONTRIBUTE TO AN HSA?

Yes. Summit Healthcare will contribute \$1,000 to the HSA for those employees that enroll in the Pinnacle (HDHP/HSA) Plan in 2012. In 2012, the maximum combined contribution for an individual account will be \$3,100 and \$6,250 for an individual with family coverage. People over the age of 55 can make an additional "catch-up" contribution of \$1,000 in 2012.

WHO ADMINISTERS THE HSA?

You have two (2) choices regarding an HSA administrator, HSA Bank or Arizona Central Credit Union. You are responsible for opening your account so you can receive your HSA contribution from Summit. You are also able to set your pre-tax contribution to your HSA through payroll deduction. Please see the additional information in your enrollment materials regarding these two HSA administrators.

VISION

The following vision benefits are covered under the Summit, Peak or Pinnacle medical plans, if you are enrolled in one of those plans. Employees who are not enrolled in a Summit Healthcare medical plan can elect to purchase vision coverage separately from the medical plan as a stand-alone plan.

| Features | Summit | Peak | Pinnacle |
|------------------------------|--------|----------------------------|----------|
| Exam – One per calendar year | | \$50.00 | |
| Frames Lenses Contacts | | \$120.00 Per Calendar Year | |

EMPLOYEE WELLNESS PROGRAM – MY PERSONAL HEALTH SUITE

Summit Healthcare offers employees covered under the medical plan access to an on-line employee wellness program called My Personal Health Suite. The program is provided through AmeriBen and managed by Alere, Healthwise and HealthDay. The on-line individualized wellness program can be accessed on-line at www.myameriben.com through “My Personal Health Suite.”

Whether you want to lose weight, get more active, decrease your stress level or improve your diet, joining a Healthy Living Program can help you make it happen!

The Healthy Living Programs are online, personalized action plans that help you take an active role in improving your health and quality of life. With these programs, “healthy living” is just a click away! Enroll at www.myameriben.com.

Choose from the following programs:

- Weight Loss – Healthy weight loss and long term management
- Get in Shape – Exercises for improving activity, strength and flexibility
- Healthier Diet – Simple food substitutions and plans for healthy eating
- Stress Relief – Useful strategies to fight everyday stressors
- Healthy Aging – Ways to look good, feel younger and prevent disease
- Easy Start – Strategies for easing into a healthy lifestyle
- Healthy Heart – Nutrition, exercise and stress management for heart health
- Diabetes-Fighting – Science-backed lifestyle changes that reduce diabetes risk
- Cancer-Fighting – Healthy strategies for reducing cancer risk
- Smoke-Free – Personalized tools to help quit smoking for life
- Healthy Seniors – Help improving health, maximizing quality of life and independence
- Healthy Kids – Provides tools and resources needed to encourage healthier diet and lifestyle choices by your family and adopt healthier habits that can reduce disease risks
- Your Custom Healthy Living Program – Access your tools and trackers after completing any HLP program

FLEXIBLE SPENDING ACCOUNTS

The Summit Healthcare Flexible Benefit Plan lets you use pre-tax dollars to pay for eligible premiums and uncovered health and dependent care expenses. The result is that you pay less in taxes and keep more of what you earn.

Health Care Spending Account

Summit Healthcare provides you with the opportunity to save money on taxes and pay for uncovered health care expenses through the Health Care Spending Account. Uncovered health care expenses for purposes of the Health Care Spending Account are defined by the IRS, but can include medical and dental plan deductibles, copays and coinsurance, eyeglasses and contact lenses, prescription drug copays and more. These are typically expenses you would incur anyway, but with the Health Care Spending Account you can pay for them and reduce your taxable income at the same time.

You can contribute a maximum of \$3,000 during the 1/1/2012 – 12/31/2012 plan year in pre-tax dollars to the Summit Health Care Spending Account. This money can be used to pay for uncovered medical, dental and vision expenses for you, your spouse (per IRS rules, this does not include domestic partners) and your eligible children, whether or not you, or they, are covered under the Summit Healthcare medical or dental plans. The only criteria is that these expenses cannot be covered (paid) under any health care plan. You can use your flex spending account debit card to pay for these expenses directly from your flex account. However, you will be asked for documentation supporting these expenses after you use your debit card. This is required by the IRS to verify it is a qualified expense which the IRS allows to be reimbursed from a Health Care Spending Account.

You can also file a paper claim for reimbursement from your Health Care Spending Account by faxing the paper claim form and documentation to BASIC, Summit's flex plan administrator.

Dependent Care Spending Account

Summit Healthcare also provides you with the opportunity to set aside dollars on a pre-tax basis to pay for dependent daycare expenses. This reduces your taxable income and can provide you with significant tax savings each year. You can contribute a maximum of \$5,000 per plan year (1/1/2012 – 12/31/2012) in pre-tax dollars to your Summit Dependent Care Spending Account. Please be aware that you cannot participate in this account and take a dependent daycare tax credit on your taxes at year-end (it is one or the other). Depending on your annual earnings, you can save more tax dollars by contributing to a Dependent Care Spending Account vs. the year-end tax credit. Further questions on this should be directed to a tax advisor.

Costs for your child's day care center, costs for a caregiver, as defined by the IRS, and costs for day care provided inside or outside of your home are a few examples of dependent care. These expenses must be for the care of a child under age 13, or for a dependent who is not capable of self-care. You will be reimbursed from your Dependent Care Spending Account only up to the amount you have contributed at any given time. If you submit a claim that is larger than your account balance at that time, you will be reimbursed your full account balance and then continue to be reimbursed from your account as new contributions are made, up to the total amount of your claim.

Limited Purpose FSA

Per IRS rules, you cannot enroll in a regular FSA if you are enrolled in the Pinnacle Plan (HDHP/HSA). However, you can enroll in a "Limited Purpose FSA" for uncovered dental and vision expenses.

"Use It or Lose It" Rule

IRS regulations prohibit employers from returning to you any money deposited to Health Care or Dependent Care Spending Accounts that is not used at the end of the plan year. Unused dollars are considered to be forfeitures, per IRS rules, and are typically used by employers to pay for plan administration expenses. Once you make your annual contribution election(s) to the Health Care Spending Account or the Dependent Care Spending Account, you cannot change or drop your contributions until the next plan year (1/1/2013) unless you have a qualifying change in family status (as explained in the "Important Information Regarding Plan Changes" section above). Therefore, it is important to carefully consider how much you will contribute to your account(s) in the coming year as the IRS prohibits any changes until 1/1/2013. If you waive enrollment in these accounts when hired, you will not have another opportunity to re-enroll until 1/1/2012, unless you have a qualifying change in family status.

Other Important Considerations

- Health Care and Dependent Care Spending Accounts are separate and you cannot transfer money from one account to the other, per IRS rules.
- You may not use money in your Health Care Spending Account for reimbursement of a domestic partner's uncovered medical, dental or vision expenses.

DENTAL PLAN

Summit Healthcare offers both a Low Option PPO and High Option PPO dental plan through Principal. Employees have a choice to enroll in one of these two dental plans. Summit pays for 100% of the premium for 'employee only' coverage and a majority of the family coverage for the Low Option dental plan. Employees pay for part of the cost of family coverage under the Low Option plan and a portion of the coverage if they choose the High Option dental plan for employee only or family coverage. Further information on the coverage provided under these two plans is provided in your enrollment materials. A brief summary of the coverage for these two plans is shown below.

If you enroll in one of the Principal dental plans, it is important you see a provider in the Principal dental PPO network to obtain the best coverage (as you will pay a higher amount if you see a non-network dentist). You can go to www.principal.com or call Principal's customer service at the number on the last page of this booklet to find a provider in the Principal network.

| Covered Services | Low Option Dental Plan | High Option Dental Plan |
|-------------------------------------|-----------------------------|-----------------------------|
| Annual Deductible | \$50 single/\$150 family | \$50 single/\$150 family |
| Annual Maximum | \$1,000 per person per year | \$1,500 per person per year |
| Preventive Services (no deductible) | Covered at 100% | Covered at 100% |
| Basic Services | Covered at 80% | Covered at 80% |
| Major Services | Covered at 50% | Covered at 50% |
| Orthodontia (Children Only) | Not covered | 50%, \$1,500 lifetime max |
| Implants | Not covered | 50% |

LIFE INSURANCE AND ACCIDENTAL DEATH AND DISMEMBERMENT (AD&D)

Summit Healthcare provides eligible employees with employer paid life insurance and AD&D providing you with peace of mind and your family and/or beneficiaries with financial security, in the event of your death. Coverage is provided through the Mutual of Omaha.

Employees are covered for the following amount of employer paid life insurance/AD&D depending on which classification you are in:

Class 1:

All employees (except directors, administrators and physicians): Life Insurance/AD&D Benefit: One times salary up to a maximum benefit of \$240,000

Class 2:

All directors, administrators and physicians: Life Insurance/AD&D Benefit: Two times salary up to a maximum benefit of \$500,000

Please note: There is a reduction in employer paid life insurance/AD&D benefits starting at age 70.

VOLUNTARY LIFE INSURANCE AND AD&D

For those employees who wish to purchase additional life insurance coverage, Summit Healthcare offers eligible employees a voluntary supplemental life insurance benefit. This coverage is offered through the Mutual of Omaha. Please refer to the Mutual of Omaha materials in your enrollment information for the employee, spouse and child supplemental life rates and further plan information.

Life insurance coverage for the employee is paid to your beneficiary(s), in the event of the employee's death. Life insurance coverage for the spouse is paid to the employee, in the event of the spouse's death. Life insurance coverage for a child is paid to the employee, in the event of a child's death. To purchase Voluntary Life/AD&D for a spouse or child, an employee must also purchase it for themselves (see below).

- Employee: 7x annual salary up to \$300,000 (\$10,000 minimum benefit)
- Spouse: 50% of employee amount up to \$150,000 maximum (\$5,000 minimum benefit)
- Child(ren): \$10,000 maximum benefit per child (\$2,000 minimum benefit)

Please note: There is a reduction in voluntary life insurance/AD&D benefits starting at age 70.

If you decline to enroll in this plan when you first become eligible for coverage upon hire and wish to enroll at a later date, you will be required to provide evidence of insurability for any amount of supplemental life insurance coverage for yourself, your spouse or children that you request in the future. If you enroll in this plan when you first become eligible for coverage (typically, immediately following date of hire), you will be able to enroll without providing medical information, up to the guaranteed issue amount. If you wish to increase this coverage at a later date, you will be required to provide evidence of insurability for the additional amount you wish to purchase, for you, a spouse or child.

EMPLOYER PAID LONG TERM DISABILITY (LTD) INSURANCE

All employees in an eligible class working 32 or more hours per week are offered an employer paid LTD benefit. Please refer to the Mutual of Omaha Certificate of Coverage for further plan information.

LTD provides long-term income protection in the event of an unexpected non-occupational disability. LTD provides partial income replacement during your period of disability to help provide you and your family with financial security. LTD benefits begin after 180 consecutive and continuous days of disability due to a non-occupational injury or sickness. LTD benefits are 60% of pre-disability earnings with a maximum monthly benefit of \$6,000. The maximum period you can receive LTD benefits is Social Security Normal Retirement Age (SSNRA), or until you are no longer disabled. The pre-existing condition limitation and other plan restrictions and limitations are explained in the Mutual of Omaha plan summary materials.

Voluntary Benefits available through AFLAC

Voluntary benefits are available to you through AFLAC and offer these benefits:

- Paid in addition to your Summit Healthcare group medical insurance plan
- Affordable premiums and convenient payroll deduction
- Complement your core Summit Healthcare benefits – provide immediate, additional income for your initial out-of-pocket expenses (i.e. high deductibles and coinsurance)
- Portability – if you terminate your employment, you may continue your coverage with no increase in premiums
- Benefits are paid directly to you, unless you specify otherwise
- Coverage is available for your spouse and children with most products

During each annual open enrollment period, you can meet individually with an AFLAC representative to discuss these voluntary benefits or to review the AFLAC benefit plans in which you are currently enrolled. New hires can contact the AFLAC Representative directly at the number listed on the Contact Information page in this guide. Below are the various AFLAC plan options available for you to elect:

Short Term Disability Advantage Plan: Pays you a portion of your income each day you are disabled, should you become disabled for a short period of time.

Accident Indemnity Advantage Plan: Provides a lump sum benefit in the event of an unexpected injury; helps offset deductibles/coinsurance and uncovered medical expenses.

Hospital Intensive Care Protection Plan: Provides daily cash benefits, if you are confined to a hospital intensive care unit or a step-down intensive care unit for a covered illness or injury.

Maximum Difference Cancer Indemnity Insurance: Provides cash benefits, if you receive certain types of cancer treatments

Specified Health Event Insurance: Provides hospital intensive care for sickness and injury, and specified health even coverage for critical illness (including heart attack and heart surgery, stroke, end-stage renal failure, major human organ transplant, etc.).

403(B) RETIREMENT SAVINGS PLAN

Summit Healthcare is proud to sponsor a 403(b) retirement savings plan for our employees. The plan is administered by Daily Access. You can go to www.dailyaccess.com to access your personal 403(b) account information 24 hours a day, seven days a week. You can also call them at (888) 307-4015 to obtain personal account information and ask questions regarding the 403(b) plan and plan investment options. For financial advice or questions about investments, please contact our financial advisors at CBIZ Financial Solutions - Robert Quiroz, Tim Schannep or Bob Alvarez at CBIZ Financial Solutions. They can be reached at 520-320-3811, toll free at 800-457-5636 or 403bhelp@cbiz.com. The following highlights the key plan benefits:

Pre-Tax Contributions & Post-Tax Contributions

The plan allows you to save for your retirement through the Pre-Tax (Traditional 403(b)) option or the After-Tax (Roth) option. Employees can contribute up to \$16,500 of annual compensation in calendar year 2011. Employees age 50 and older can contribute an additional “catch-up” contribution of \$5,500 in calendar year 2011 for a total contribution of \$22,000. New contribution limits for 2012 will be announced in late October 2011.

403(B) RETIREMENT SAVINGS PLAN (CONTINUED)

Employer Match

Summit Healthcare will match dollar for dollar up to 4% of your allowable compensation into the retirement plan for all eligible employees. Employer contributions begin after one year of employment and are subject to a 3 year graded vesting schedule.

403(b) Loans

Participants may borrow up to 50% of your vested account balance with a minimum loan of \$1000 and a maximum of \$50,000. Please contact Daily Access about loans. One loan allowed at a time.

Beneficiary Designation

Please ensure you complete a 403(b) beneficiary form. Per IRS rules, if you select a beneficiary other than your spouse, you must obtain a signed notarized consent from your spouse for another individual to be your beneficiary. 403(b) and Life Insurance plan beneficiaries are different and you must complete separate beneficiary forms for each of these plans. If you have a life event such as marriage or divorce, please ensure you complete a new beneficiary form for each plan to reflect your wishes.

EMPLOYEE BENEFIT RATES- 1/1/2012 - 12/31/2012

Medical Per Pay Period - 24 Pay Periods

| Plan | Summit | | Peak | | Pinnacle | |
|-----------------------|-----------|-----------|-----------|-----------|-----------|-----------|
| | Full Time | Part Time | Full Time | Part Time | Full Time | Part Time |
| Employee Only | \$58.00 | \$70.00 | \$26.00 | \$31.00 | \$13.00 | \$16.00 |
| Employee + Spouse | \$283.00 | \$340.00 | \$133.00 | \$159.00 | \$68.00 | \$82.00 |
| Employee + Child(ren) | \$218.00 | \$261.00 | \$101.00 | \$122.00 | \$52.00 | \$63.00 |
| Employee and Family | \$349.00 | \$419.00 | \$165.00 | \$198.00 | \$86.00 | \$103.00 |

Vision - 24 Pay Periods

| Employee Contribution Per Pay Period for Stand Alone Vision Plan | Full Time | Part Time |
|--|-----------|-----------|
| Employee Only | \$0.00 | \$0.00 |
| Family | \$3.00 | \$4.00 |

Dental - 24 Pay Periods

| Coverage Type | Low Option Dental Plan | | High Option Dental Plan | |
|--|------------------------|-----------|-------------------------|-----------|
| | Full Time | Part Time | Full Time | Part Time |
| Employee Contribution Per Pay Period (24PP) | | | | |
| Employee Only | \$0.00 | \$0.00 | \$5.50 | \$6.50 |
| Employee and Family | \$6.50 | \$8.00 | \$11.00 | \$13.00 |

CONTACT INFORMATION

Summit Healthcare Human Resources (HR)

Jill Bluse, Benefits Analyst
928-537-6914
jbluse@summithealthcare.net

Medical Plan

AmeriBen, Claims Administrator
Customer Service: 1-866-215-0974
www.myameriben.com

HSA Plans

HSA Bank

Customer Service: 1-800-357-6246
www.hsabank.com

Arizona Central Credit Union

Customer Service: 866-264-6421
azcentralcu.org

PHCS Healthy Directions

(Coverage for Dependents Residing Out-of-State)
Customer Service: 1-800-678-7427
www.phcs.com

Prescription Drug Plan

Express Scripts, Pharmacy Benefits Manager
Customer Service: 1-888-454-2468
www.express-scripts.com

Flex Plans (FSA)

Health Care and Dependent Care Spending Accounts
Limited FSA
B.A.S.I.C. Customer Service: 800-473-0455
www.basicflex.com

Dental Plans

Principal Dental Plan Customer Service: 1-800-843-1371
www.principal.com

Life Insurance/AD&D,

Voluntary Life Insurance/AD&D and LTD

Mutual of Omaha Customer Service: 1-866-438-4885
www.mutualofomaha.com

403(b) Retirement Plan (CBIZ)

Robert Quiroz, Tim Schannep or Bob Alvarez
1- 800-457-5636 or 403bhelp@cbiz.com

AFLAC Voluntary Benefits Programs

Ray Hebert, 480-223-3477
Raymond_hebert@us.aflac.com

Employee Benefits Consultant (CBIZ)

Lael Byrne, Account Executive

520-321-7537
lbyrne@cbiz.com

Kristine Kot, Account Manager

520-321-7501
kkot@cbiz.com

Employee Claims Advocate (CBIZ)

Sandi Lopez
(call her directly on claim issues for all plans)
520-321-7503
slopez@cbiz.com

About This Booklet: This booklet highlights important features of Summit Healthcare's benefits for its benefit-eligible employees. While efforts have been made to ensure the accuracy of the information presented, in the event of any discrepancies your actual coverage and benefits will be determined by the legal Plan Documents and the contracts that govern these plans. Benefit plans may be changed for any reason, to the extent allowed by law. Your participation in these benefits is not a contract of employment and does not guarantee future employment.

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