

Subject: Medical Plan Spousal Surcharge effective January 1, 2023

In our commitment to encourage health and wellness within our employee population, we also want to make sure medical coverage is available to those who need it most. So Prevea Health, like many large employers, has added a medical plan working spouse surcharge effective with this year's open enrollment for plan year 2023 medical benefits.

Current law requires most employers to offer medical coverage to their full-time employees. This means many employee spouses have health care coverage available at their own place of employment. When Prevea provides coverage to working spouses who have other coverage available, this likewise creates higher costs for our employees and Prevea Health.

This surcharge is to help absorb the cost for healthcare that Prevea is incurring should a spouse want to stay on Prevea's plan instead of a spouse's employer.

To avoid paying the surcharge, a spouse can enroll in his or her employer's medical plan. If enrolling in the spouse's plan, the spouse could continue to be covered by Prevea's plan as a secondary payor without paying the spousal surcharge. We recommend comparing plan design coverage and total costs of both employer medical plans to see what makes sense for your family.

Does the surcharge apply to you?

If your spouse works and his or her employer offers medical coverage and you choose to provide him/her coverage under a Prevea plan, **you'll pay a \$125 per month working spouse surcharge**. The surcharge is deducted from your bi-weekly paycheck (\$57.69) on a pre-tax basis. The surcharge applies only to medical plan coverage; not dental, etc.

However, **the surcharge does not apply** if your spouse:

- Is not employed
- Works at Prevea
- Is covered by Medicare, Medicaid, Tricare, or other state assistance programs
- Is covered under COBRA
- Works but is not eligible for medical coverage through their employer
- Works but not full-time and is required to pay a higher part-time monthly premium toward the cost of coverage
- Loses job-related medical coverage

During this year's Open Enrollment, all employees enrolled in a Prevea medical plan covering a spouse will be asked in the ADP open enrollment portal to answer questions related to a spouse's access to coverage through their own employer. Depending on how you answer the surcharge questions in the open enrollment portal will determine if the surcharge will be applied to you. In addition, a **2023 Spouse Medical Insurance Coverage Statement** (example attached) will need to be completed, signed by the spouse's employer, and returned to Prevea Human Resources – Benefits, within 30 days of enrollment for plan year 2023, in order to avoid a spousal surcharge.

Special circumstances related to spousal coverage

- If you cover your spouse initially, but later your spouse enrolls in his/her own employer's plan, contact Human Resources – Benefits within 31 days of the spouse's new enrollment to get your surcharge discontinued.

- If your spouse isn't working now but gets a job that offers coverage, and you decide to keep him/her on the Prevea medical plan, the surcharge will begin the month s/he becomes eligible for the new employer's coverage. Contact Human Resources – Benefits to report that coverage has become available to your spouse.
- If your spouse is currently covered by his/her own employer plan, but loses his/her job, or has hours reduced and loses eligibility for coverage, contact Human Resources – Benefits. Your spouse can enroll in a Prevea medical plan within 30 days of his/her employment change; the surcharge will not apply.
- If your spouse is currently enrolled in a Prevea plan and has waived coverage through their own employer, but now wishes to enroll in their own employer's coverage to avoid the surcharge, please contact your spouse's employer for help. Your spouse will likely be able to enroll in their employer's medical plan due to what's called a qualified change in status.
- If your spouse's employer has a different plan year than Prevea and their enrollment period is over, IRS rules will likely allow enrollment due to the qualified change in status, so long as the change is made within 30 days of dropping coverage. Your spouse should contact their employer for help. However, if your spouse's employer has a different plan year and does not allow for this change, the surcharge will not apply until your spouse's new plan year begins. At that point, if you choose to continue covering your spouse you must update your ***Spouse Medical Insurance Coverage Statement*** within 30 days of the start of your spouse's plan year.
- The working spouse surcharge is in addition to the normal employee medical plan contribution/premium. You must indicate during open enrollment whether your spouse has employer-sponsored coverage available. **If you do not act during this year's benefits open enrollment, you'll pay the surcharge if your spouse is on a Prevea Health medical plan.**

As always, please reach out to Human Resources – Benefits with questions and/or refer to 2023 Open Enrollment materials via prevea.com/employees.

2023 SPOUSE MEDICAL INSURANCE COVERAGE STATEMENT

Prevea Health's medical plan contains a Spouse Medical Insurance Coverage Statement, which requires that an employee's spouse either take at least single medical coverage through his/her employer to serve as his/her primary insurance coverage or pay an additional fee (\$57.69 per pay period) for the spouse to enroll in Prevea's medical coverage as primary coverage. Only **complete this form if you enroll your spouse in a Prevea Health medical plan for 2023**. This form must be completed in full and returned within 30 days of enrollment into the medical insurance benefit in order to avoid the surcharge.

Prevea Employee: Please complete Section I. Your spouse's employer (if applicable) needs to complete Section II.

Section I. This Section must be completed by the Prevea employee

Employee Name (Please Print): _____

Employee Signature: _____ Date: _____

Spouse Name (Please Print): _____

Spouse Signature: _____ Date: _____

Is your spouse retired? Yes No Is your spouse employed? Yes No

Section II. This Section must be completed by Spouse's employer

You are receiving this form because you employ and/or sponsor the group medical plan of the spouse of a Prevea Health employee. Prevea Health's group medical plan requires that a determination be made concerning a spouse's eligibility for other medical coverage. The information you provide below will help Prevea Health make this determination. We appreciate your time and assistance in this matter. If you have any questions, you may contact Marcy Clark (Manager of Benefits) at 920-272-1163. Thank you for providing this completed form.

Please select the appropriate response:

- Group Medical coverage is offered to our employees, and this employee is currently enrolled. Coverage, effective date: _____.
- Group medical coverage is not offered by the employer.
- Employee is not eligible for group medical coverage.
- Employee is eligible for group medical coverage but has chosen not to enroll.
- Employee is part-time and is required to pay a higher monthly part-time cost for group medical coverage compared to company full-time employees.
- Employee will be eligible and able to enroll in group medical coverage at a future date (please provide date): _____.

Signature of Employer/Plan Sponsor Representative

Name of Person completing this form (please print): _____

Signature: _____

Title & Company Name: _____

Phone Number: (____) ____-____ Email Address: _____

Upon Completion of this form, please return to:

Prevea Health
Attn: Human Resources- Benefits
PO BOX 19070
Green Bay, WI 54307-9070

FAX: Attn: HR- Benefits
920.496.4717