

The Southeast Permanente Medical Group Benefits for Physicians



About This Brochure

This is a summary of the benefits and programs offered to The Southeast Permanente Medical Group, Inc. benefits-eligible (20-40 hours per week) physicians. This summary neither constitutes an offer of employment nor creates an employment contract or a term of employment. The plans and programs described in this summary are governed by legal plan documents or company policies. In the event the descriptions in this summary conflict with the documents or policies, the documents or policies will govern the administration of the plans and programs.

TSPMG expressly reserves the right to review, change, interpret, amend, or terminate any of these policies, plans, or programs at any time and for any reason without prior notice. In addition, this document does not constitute a summary plan description.

We appreciate your interest in joining The Southeast Permanente Medical Group (TSPMG) team.

At TSPMG, we strive to offer a highly competitive total compensation package – a large part of that is our benefits. We offer high quality health plans with low employee contributions. Additionally, our retirement package includes both a 401(k) plan and a pension plan. We also offer various other perks and benefits such as a concierge service to help you balance the demands of your professional life and personal life.

Most TSPMG benefits are available on your first day of work and cover you and your eligible dependents, including your domestic partner.

This brochure provides a brief summary of the benefits that would be available to you as a physician at TSPMG.

Benefits are prorated for
part-time physicians.

Medical

TSPMG offers a choice of five medical plans: Premier HMO Plan, Enhanced HMO Plan, Basic HMO Plan, Multi-Choice Plan, and a High Deductible Health Plan. All the plans give you and your covered dependents full access to care through Kaiser Permanente's medical centers and top-quality health care providers.

TSPMG pays the majority of the premium for the medical plans. The amount you pay depends on the plan you choose and who you elect to cover.

HMO Plans

These plans pay benefits when you use Kaiser Permanente or in-network providers. All three HMO Plans cover a wide range of medical expenses, including prescription drugs, vision care, and behavioral health. The three plans differ in their levels of co-payments.

If you choose an HMO Plan, you and your eligible dependent(s) are automatically enrolled in the Supplemental Medical Plan at no additional cost.

The Supplemental Medical Plan is designed to reimburse you for certain eligible health care expenses that either:

- Aren't covered by the HMO Plans; or
- Exceed the coverage limits of HMO Plans.

Multi-Choice Plan

Under the Multi-Choice Plan, the level of benefit coverage depends on your choice of health care providers. Each time you need health care, you have three choices. You may visit:

- Kaiser Permanente providers;
- In-network (PPO) participating providers; or
- Out-of-network providers.

Choosing Kaiser Permanente providers offers the highest level of coverage and using out-of-network providers offers the lowest level of coverage.

High Deductible Health Plan (HDHP) and Health Savings Account (HSA)

As the name suggests, a High Deductible Health Plan (HDHP) has a high deductible you must satisfy before the plan begins to pay benefits for most services. In exchange for this, you typically pay a lower premium – in our case you pay zero. If your medical expenses are generally limited to preventive care, which are not subject to the deductible, you may want to consider this type of plan.



Those enrolled in an HDHP can also enroll in a Health Savings Account (HSA), which is partially funded by TSPMG. Here you have the opportunity to put pre-tax money aside to help pay for future medical expenses. You may enroll in an HSA provided you are not enrolled in Medicare, are not listed as a dependent on another person's tax return, or have received VA medical benefits at any time over the past three months.

Consumer Choice Option

In addition to the five medical plans, TSPMG provides a Consumer Choice Option (CCO). The CCO allows you to use health care providers that are not available through our company-sponsored health plan.

The CCO option might be chosen when a favorite (or needed) physician is not in the health plan's network. CCO allows you to nominate the physician to be in-network just for you. The benefits you receive when enrolled in this plan are comparable to TSPMG's medical plans' in-network benefits.

Dental

TSPMG offers two comprehensive dental plans that cover routine checkups at 100% and most other types of dental work at 50% to 90%, depending on the service and the plan selected. Child and adult orthodontia are covered. You are responsible for charges over the "usual, customary, and reasonable" (UCR) amount. Some deductibles and maximum limits may apply.

TSPMG pays the majority of the premium for the dental plans. The amount you pay depends on the plan you choose and who you elect to cover.

Flexible Spending Accounts

Flexible Spending Accounts (FSAs) are voluntary accounts that allow you to set aside a portion of your income on a pre-tax basis to help pay for certain health care and dependent care expenses as allowed by IRS regulations.

You may contribute to these accounts as follows:

- Health Care Spending Account (HCSA) – up to \$2,500 per calendar year
- Dependent Care Spending Account (DCSA) – up to \$5,000 per calendar year.

Any pre-tax contributions you choose to make will be deducted from your paycheck in equal amounts each pay period. You will not pay federal income taxes, Social Security taxes, or state taxes on the dollars you contribute to the account. According to IRS regulations, claims must be incurred in the current calendar year and be submitted for reimbursement by March 31st of the following year. Any money left in the account after March 31 will be forfeited.

Life Insurance

Life Insurance is an important part of your financial security, especially if others depend on you for support. That's why the company provides \$50,000 in Basic Term Life Insurance at no cost to you.

If you would like a higher level of coverage for yourself, you may purchase up to an additional five times your annual compensation (not to exceed \$750,000) of Optional Life Insurance.

You also have the opportunity to purchase up to \$200,000 of Spouse/Domestic Partner Life Insurance and/or \$10,000 of Child Life Insurance.

Accidental Death and Dismemberment

Similar to Life Insurance, Accidental Death and Dismemberment (AD&D) Insurance can be an important part of your financial security as it provides additional income protection in case of injury or death resulting from an accident. TSPMG provides \$50,000 of coverage at no cost to you.

If you would like a higher level of coverage for yourself, you may purchase up to an additional five times your annual compensation (not to exceed \$750,000) of Optional AD&D Insurance.

You also have the opportunity to purchase up to \$200,000 of Spouse/Domestic Partner AD&D Insurance and/or \$10,000 of Child AD&D Insurance.

Disability

The TSPMG disability plans are designed to provide partial replacement of your income if you become disabled and cannot work. The disability plans provided include:

- **Short-Term Disability (STD) Insurance** - If your certified disability continues after the 7-day waiting period and you have exhausted your Extended Leave, you will receive a STD benefit equal to 50% of your base salary* on either a pre-tax or post-tax basis. STD is for the first 180 days of a disability and is provided at no cost to you.
- **Long-Term Disability (LTD) Insurance** - If you are still certified as disabled after 180 days, you may be eligible to receive LTD benefits. Your benefit is equal to 50% of your base salary* on either a pre-tax or post-tax basis and is provided at no cost to you.
- **Supplemental Long-Term Individual Disability Insurance (IDI)** - If you would like a higher level of coverage, you may choose to enroll in an employee-paid Supplemental IDI policy. This benefit, combined with your basic LTD, increases your coverage to 60% of your base salary.*

* Maximum limits may apply.

Business Travel Accident Insurance

TSPMG provides Business Travel Accident Insurance at no cost to you. Under this plan, a benefit of four times your salary (up to a maximum of \$250,000) is paid if you die or are dismembered in an accident while traveling on a business related trip. Benefits paid are in addition to other company sponsored life and AD&D insurance benefits.

Group Long Term Care Insurance Plan

The Group Long Term Care (GLTC) plan is designed to help you pay for a wide range of personal care, health care, and social services if you or an enrolled family member suffers a chronic disease or long-term disability. GLTC benefits cover care received in a nursing facility, assisted living facility, or at home. Eligible family members include your spouse, domestic partner, parents, parents-in-law, and your children over age 18.

This coverage is available on your date of hire through payroll deductions. After two years of service, clinicians are eligible to receive the base coverage at no cost.

Legal Plan

UltimateAdvisor® is available through payroll deductions and is intended to provide you with quick, easy, and affordable access to routine legal services you and your family may need. You may choose from a large network of attorneys nationwide, and there is no copayment or deductible when you use these services.

Workplace Banking

TSPMG has partnered with banking institutions to give you preferred pricing on a wide range of enhanced financial services (e.g. no-fee checking accounts and discounts on loans, investments and mortgages). Banking partners include: Wells Fargo, SunTrust, and Georgia United Credit Union.

Retirement Plans

Kaiser Permanente Physicians and Employees Retirement Plan (KPPERP)

To help supplement your retirement income from other sources – such as Social Security, the 401(k) Plan, and your personal savings – TSPMG also provides you with a retirement (pension) plan. You automatically become a plan participant after one year of company service.

Entirely company-funded, the KPPERP provides eligible physicians with a monthly benefit payment or lump sum payment upon retirement*. This amount is based on your years of service and your compensation. You are 100% vested in the pension benefit after five years of service in which you were compensated for at least 1,000 hours per calendar year.

** Normal retirement is at age 65, however, physicians have the opportunity to retire at age 55 with 15 years of service and receive a reduced benefit. Or, if actively employed at age 60 with 20 years of service, retire at age 60 and receive a full benefit. Those actively employed at age 65 are eligible to receive an In-Service Retirement.*

401(k) Plan

You are eligible to enroll in the 401(k) plan as of your hire date. You are also eligible to “roll over” balances from your prior employer’s qualified plan.

TSPMG offers three ways for you to make contributions to the 401(k) plan: Traditional 401(k) (pre-tax basis), Roth



401(k) (post-tax basis) and After-Tax 401(k) (post-tax basis). You may defer from 1% to 60% of your eligible compensation (in 1% increments) up to the legal maximum established by the IRS. Loans and withdrawals are available under certain circumstances.

The 401(k) Plan offers a variety of different investment funds, including target date funds, allowing you to diversify your savings and customize an investment strategy to meet your specific needs.

The TSPMG 401(k) Plan offers a non-elective employer contribution rather than a company match. In this program, TSPMG makes a contribution to your 401(k) plan. Participation in the 401(k) plan is not required to receive the employer contribution.

Wellness

TSPMG is dedicated to promoting the well-being of our physicians. The following programs provide resources and support necessary for you to receive preventive wellness visits and tests and when seeking treatment for stress or other difficulties in any area of your life.

- **TSPMG AWAY Program** – The AWAY (Awarding Wellness and You) Program is designed to inspire and reward you for taking steps to improve and enhance your personal health. Points, which are earned when you complete eligible activities or achieve wellness related objectives, are redeemable for your choice of items featured on the Kaiser Permanente/TSPMG Online Awards Mall.

Premium Reduction for Wellness, which is part of the TSPMG AWAY Program, offers a health care premium reduction for those who complete specific

activities related to annual and/or age appropriate exams. Activities includes: flu shot, DOV - BP and BMI, cholesterol check, mammogram, PAP, and colon exams.

- **Kaiser Permanente Assistance Program (KPAP)**
This is a confidential resource and referral service that exists to help you and your family members cope with a variety of life challenges. Specially trained customer service representatives and professional counselors are available 24-hours a day.
- **Supplemental Behavioral Health Plan**
Available to you and your covered dependents, this is a \$3,000 (per person) annual behavioral health benefit that can be used for treatment with a licensed practitioner outside of the Kaiser Permanente network for a DSM-IV or V diagnosis.

Other Programs

Becoming a Participant or Shareholder

Physicians (MDs and DOs) who join TSPMG are hired with the expectation that they will eventually become shareholders. For most physicians, the process of becoming a shareholder takes approximately three years.

After approximately two years, you are eligible to become a participant with the approval of your chief of service, the senior leadership team of the medical group and a majority vote of all the shareholders. Participants may attend shareholders' meetings and are eligible to receive an annual incentive payment based on measures of quality and service. After you have been a participant for one year, you are eligible to become a shareholder, provided you are board certified.

When you become a Shareholder:

- You have the obligation to vote for new shareholder candidates when votes are held, usually twice a year
- You receive an additional \$500 CME allowance, bringing the total CME allowance to \$2,400 per year (prorated for less than 1.0FTE)
- You receive a stipend of \$4,500 a year which increases by \$500 at each five-year anniversary of service, up to 25 years
- You are eligible to nominate other TSPMG shareholders to seats on the TSPMG Board of Directors
- You are eligible to vote for candidates for seats on the TSPMG Board of Directors
- You are eligible to run for one of five seats on the TSPMG Board of Directors reserved for TSPMG shareholders

Dues Stipend

To encourage you to participate in professional organizations, TSPMG offers you a stipend of \$500 upon hire (prorated for that year) and on January 1st each year. This stipend is credited to you in advance and may not be carried over from one year to the next.

Continuing Medical Education (CME) Stipend

To assist you in continuing your medical education, you are credited with a stipend upon your hire date (prorated for that year) and on January 1st each year. Initially, you receive \$1,900 and that amount increases to \$2,400 once you become a shareholder. If you don't use all of the stipend allowance in a calendar year, the maximum benefit amount that can be rolled into the new year is one times your annual benefit.

License Reimbursement Benefit

TSPMG will reimburse benefits-eligible physicians for their State of Georgia license fees. DEA certificates are not eligible for reimbursement.

Professional Liability

You receive professional and public liability coverage through the Kaiser Foundation Health Plan at no cost to you. This coverage applies to each occurrence that arises from care provided to patients within the course and scope of your employment with TSPMG. This coverage also includes tail coverage, at no cost to you, after you leave the organization.

Concierge Service

To help make your life easier and balance your personal and work life, TSPMG provides a concierge benefit which can be used for many types of services such as dry cleaning drop off/pick up, meal delivery or catering coordination, automobile services (oil changes, car wash, etc.), vacation planning, purchasing last minute gifts and much more. This TSPMG sponsored benefit is for employees only, at no cost – you will only be responsible for third party charges (e.g. dry cleaning charges, car wash expense, ticket cost, etc.).

Time Away From Work

Holidays

TSPMG observes seven holidays each year, including New Year's Day, Martin Luther King, Jr. Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day. Administration of holiday benefits may vary depending on your specialty and patient access needs within your department.

Earned Time Off

Earned Time Off (ETO) is provided to promote a balance between work and personal life and to meet individual needs for time away from work. ETO provides flexibility in how physicians choose to use their time off and may be used for a variety of reasons including, but not limited to: travel, rest and relaxation, continuing medical education (CME), sick time, family time, medical/dental appointments, personal business, emergency situations, observance of religious activities, etc.

Your ETO accrues bi-weekly. You begin to accrue ETO on your first day of employment. You must use all of your available ETO prior to taking time off without pay. The number of ETO days for which you are eligible is based on your length of service shown below.

ETO Hours Earned Per Pay Period	
Hire Date – 36 Months of Service	7.08 (23 days annually)
36.01 – 120 Months of Service	8.62 (28 days annually)
120.01 or More Months of Service	10.15 (33 days annually)

The maximum annual amount you may carry over into the next payroll year varies based on your schedule and length of company service as follows:

Hire Date – 36 Months of Service	30 days (240 hours)
36.01 – 120 Months of Service	40 days (320 hours)
120.01 or More Months of Service	50 days (400 hours)

**Based on 1.0 FTE and completed months of continuous service (calculated from anniversary date). For physicians who eventually transition to a variable compensation program, ETO benefits are administered slightly differently. Please refer to the variable compensation policy applicable to your department for details.*

Note: Career physicians designated as ACC/CDU/Urgent Care, ECM, Hospitalists and Nocturnists are eligible for the Hours Bank policy and do not receive ETO or holiday benefits.

Extended Leave

TSPMG understands that a situation may arise requiring you to be out of work for a serious health condition as defined under the Family and Medical Leave Act (FMLA), such as surgery. Rather than using your ETO in such situations, TSPMG provides physicians with an Extended Leave account from which you can be compensated.

Additionally, you can access this account for a family member's FMLA qualifying health condition after exhausting all time available in your ETO account.

As with ETO, the amount of Extended Leave for which you are eligible is based on your length of service. Your time accrues each pay period as follows:

Years of Completed Service	Annual Extended Leave Provision*
1st to 4th year of service (<i>prorated based on hire date for first year of service</i>)	12 days per year (96 hours)
5 or more years of service	24 days per year (192 hours)

**Based on 1.0 FTE, maximum balance is 60 days*

Workers' Compensation

Workers' Compensation provides medical treatment and salary continuation if you have a compensable, work-related injury. Workers' Compensation will pay for all authorized medical expenses you have incurred due to an injury or illness resulting from work or working conditions.

Leave of Absence

You may find that something in your life – such as caring for a newborn, nursing a seriously ill family member, your own serious health condition, or serving in the military – needs your full attention. TSPMG offers several types of leave, including:

- Personal Leave of Absence
- Family & Medical Leave Act (FMLA)
- Military Leave
- Bereavement Leave (three to five days to attend a funeral for immediate family members, based on travel distance)

The Compensation Program

For most physicians, compensation is based on a salary scale developed by the Compensation Committee of the Medical Group. This scale is designed to provide competitive compensation within the marketplace. It is reviewed and adjusted on an annual basis.

When you join TSPMG, your initial starting salary takes into consideration the type of specialty you will be practicing and your number of years of applicable experience.

TSPMG generally provides annual increases in compensation, contingent upon approval by the Board of Directors. These changes usually occur in the first quarter of the calendar year.

Additionally, if the market for a particular specialty warrants a change in the compensation scale and that change is supported by the Compensation Committee and the Board of Directors, TSPMG looks at individuals within that specialty and provides salary adjustments accordingly.

Some departments transition their physicians to a variable compensation program after a period of time with TSPMG – usually within one to two years.



For physicians who are on a variable compensation program, compensation is adjusted twice a year and is based on the physician's performance in relation to the criteria for the department's variable compensation program. You can reference your department's specific variable compensation program policy for additional details.



