

EFFECTIVE OCTOBER 1, 2009
CITY OF STAFFORD HEALTH CARE BENEFITS PLAN

Page 3 of the Summary Plan Document for City of Stafford Health Care Benefits Plan (the Plan) plan document is hereby amended to **remove** the following:

Participating Provider Network: Memorial Hermann Health Network Providers, Inc. (MHHNP)
Website: www.mhhnp.org

and will be replaced with:

Participating Provider Network: MHealth, Inc.
Website: www.mhealthbenefits.org

Page 20 of the Summary Plan Document for City of Stafford Health Care Benefits Plan (the Plan) plan document is hereby amended to **add** the following:

Special Enrollment Periods

The enrollment date for anyone who enrolls under a Special Enrollment Period is the first date of coverage. Thus, the time between the date a special enrollee first becomes eligible for enrollment under the Plan and the first day of coverage is not treated as a Waiting Period.

- (1) **Individuals losing other coverage.** An Employee or Dependent who is eligible, but not enrolled in this Plan, may enroll if each of the following conditions is met:
 - (a) The Employee or Dependent was covered under a group health plan, **Medicaid or CHIP**, or had health insurance coverage at the time coverage under this Plan was previously offered to the individual.
 - (b) If required by the Plan Administrator, the Employee stated in writing at the time that coverage was offered that the other health coverage was the reason for declining enrollment.
 - (c) The coverage of the Employee or Dependent who had lost the coverage was under COBRA and the COBRA coverage was exhausted, or was not under COBRA and either the coverage was terminated as a result of loss of eligibility for the coverage (including as a result of legal separation, divorce, death, termination of employment or reduction in the number of hours of employment) or employer contributions towards the coverage were terminated.
 - (d) The Employee or Dependent requests enrollment in this Plan not later than 31 days **(or 60 days from the date of the Medicaid/CHIP loss of coverage)** after the date of exhaustion of COBRA coverage or the termination of coverage or employer contributions, described above. Coverage will begin no later than the first day of the first calendar month following the date the completed enrollment form is received.

If the Employee or Dependent lost the other coverage as a result of the individual's failure to pay premiums or required contributions or for cause (such as making a fraudulent claim), that individual does not have a Special Enrollment right.

- (2) **Dependent beneficiaries.** If:
 - (a) The Employee is a participant under this Plan (or is eligible to be enrolled under this Plan but for a failure to enroll during a previous enrollment period), and

- (b) A person becomes a Dependent of the Employee through marriage, birth, adoption or placement for adoption,

then the Dependent (and if not otherwise enrolled, the Employee) may be enrolled under this Plan as a covered Dependent of the covered Employee. In the case of the birth or adoption of a child, the Spouse of the covered Employee may be enrolled as a Dependent of the covered Employee if the Spouse is otherwise eligible for coverage.

The Dependent Special Enrollment Period is a period of 31 days (or 60 days from the date of the Medicaid/CHIP loss of coverage) and begins on the date of the marriage, birth, adoption or placement for adoption.

The coverage of the Dependent enrolled in the Special Enrollment Period will be effective:

- (a) in the case of marriage, as of the date of the marriage;
- (b) in the case of a Dependent's birth, as of the date of birth; or
- (c) in the case of a Dependent's adoption or placement for adoption, the date of the adoption or placement for adoption.

Page 24 of the Summary Plan Document for City of Stafford Health Care Benefits Plan (the Plan) plan document is hereby amended to **remove** the following:

Core Plan PPO:

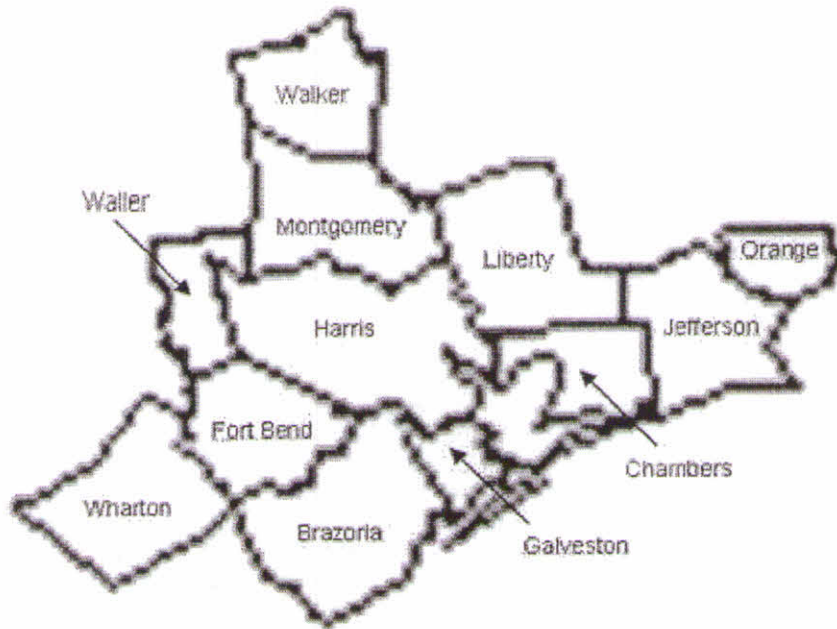
PPO name: Freedom of Choice (MHHNP Network)
Provided by: Memorial Hermann Health Network Providers, Inc.
Address: 9301 Southwest Freeway, Suite 5000
Houston, TX 77074
Telephone: (713) 448-6535
Fax: (713) 448-6550

Email: www.mhhnp.org

** Freedom of Choice Network providers must be used by all residents of the 12-County Freedom of Choice Area (see map of the 12 counties below). This includes all employees who work within the 12-County Freedom of Choice Area. All plan members who reside outside the 12 counties must use providers in the Freedom of Choice Network when visiting the 12 counties except during emergency situations. To find a Freedom of Choice Network provider, select the link above.*

Note: PHCS Network providers in the 12-county area are considered out-of-network for all plan members.

Map of the 12-County Freedom of Choice Area



For Residents and Visitors Outside the Freedom of Choice 12-County Area

Private Healthcare Systems (PHCS) Network *

* PHCS Network providers are considered in-network only outside of the 12-County Freedom of Choice Area (see map of the 12 counties above). All plan members who reside outside the 12 counties must use providers in the Freedom of Choice Network when visiting the 12 counties except during emergency situations. Residents of the 12-County Freedom of Choice area must receive an authorization to see any provider—including a PHCS provider—when outside the 12 counties except during emergency situations. To find a PHCS Network provider, select the link above.

Note: Employees who work within the 12-County Freedom of Choice Area are considered in the same category as residents of the 12-County area and subject to the same rules. Please see the Freedom of Choice section above for more information.

and will be replaced with:

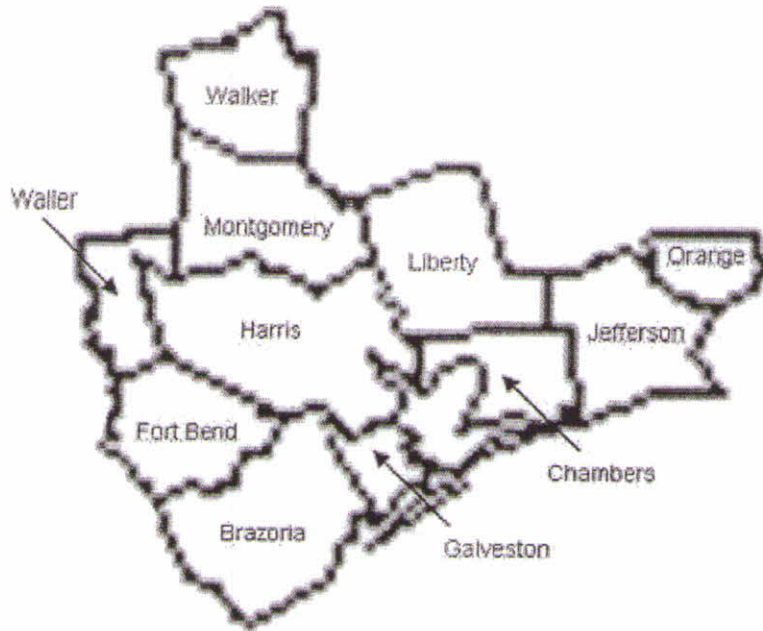
Core Plan PPO:

PPO name: MHealth Network
Provided by: MHealth, Inc.
Address: 9301 Southwest Freeway, Suite 5000
Houston, TX 77074
Telephone: (713) 448-6535
Fax: (713) 448-6550
Website: www.mhealthbenefits.org

* The MHealth network must be used by all residents of the 11-County area. This includes all employees who work within the 11-County area. All plan members who reside outside the 11 counties must use providers in the MHHNP network when visiting the 11 counties except during emergency situations. To find a MHealth provider, select the link above.

Note: PHCS Network providers in the 11-county area are considered out-of-network for all plan members.

Map of the 11-County Freedom of Choice Area



For Residents and Visitors Outside the 11-County Area

Private Healthcare Systems (PHCS) Network *

* PHCS Network providers are considered in-network only outside of the 11-County area. All plan members who reside outside the 11 counties must use providers in the MHealth network when visiting the 11 counties except during emergency situations. Residents of the 11-County area must receive an authorization to see any provider—including a PHCS provider—when outside the 11 counties except during emergency situations.

Note: Employees who work within the 11-County area are considered in the same category as residents of the 11-County area and subject to the same rules.

Page 27 of the Summary Plan Document for City of Stafford Health Care Benefits Plan (the Plan) plan document is hereby amended to **remove** the following:

LIFETIME MAXIMUM BENEFIT AMOUNT

The Maximum Benefit Amount is shown in the Schedule of Benefits. It is the total amount of benefits that will be paid under the Plan for all Covered Charges incurred by a Covered Person.

and will be replaced with:

LIFETIME MAXIMUM BENEFIT AMOUNT

The Lifetime Maximum Amount is shown in the Schedule of Benefits. It is the total payment for each covered individual for all covered charges incurred during the period of time you or your covered dependents participate in this plan, or any other plan sponsored by the City of Stafford.

Page 35 of the Summary Plan Document for City of Stafford Health Care Benefits Plan (the Plan) plan document is hereby amended to **remove** the following:

Cost Management Services Phone Number

Memorial Hermann Health Network Providers, Inc.
(713) 448-6588

and will be replaced with:

Cost Management Services Phone Number

MHealth, Inc.
(713) 448-6588

Page 53 of the Summary Plan Document for City of Stafford Health Care Benefits Plan (the Plan) plan document is hereby amended to **remove** the following:

- (5) Send the above to the Claims Administrator at this address:

Memorial Hermann Health Network Providers
9301 Southwest Freeway, Suite 5000
Houston, Texas 77074
(713) 448-6535

and will be replaced with:

- (5) Send the above to the Claims Administrator at this address:

MHealth, Inc.
9301 Southwest Freeway, Suite 5000
Houston, Texas 77074
(713) 448-6535

Page 60 of the Summary Plan Document for City of Stafford Health Care Benefits Plan (the Plan) plan document is hereby amended to **remove** the following:

The Plan Administrator is City of Stafford, 2610 South Main, Stafford, Texas, 77477, (281) 261-3900. COBRA continuation coverage for the Plan is administered by Memorial Hermann Health Network Providers, Inc., 9301 Southwest Freeway, Suite 5000, Houston, Texas 77074, (713) 448-6480. Complete instructions on COBRA, as well as election forms and other information, will be provided by the Plan Administrator or its designee to Plan Participants who become Qualified Beneficiaries under COBRA.

and will be replaced with:

The Plan Administrator is City of Stafford, 2610 South Main, Stafford, Texas, 77477, (281) 261-3900. COBRA continuation coverage for the Plan is administered by MHealth, Inc., 9301 Southwest Freeway, Suite 5000, Houston, Texas 77074, (713) 448-6480. Complete instructions on COBRA, as well as election forms and other information, will be provided by the Plan Administrator or its designee to Plan Participants who become Qualified Beneficiaries under COBRA.

Page 71 of the Summary Plan Document for City of Stafford Health Care Benefits Plan (the Plan) plan document is hereby amended to **remove** the following:

Third Party Administration. Administrative services are provided as follows:

- Medical claim administration is provided by Memorial Hermann Health Network Providers
- The Prescription Drug program is administered by Caremark
- The Plan Administrator is responsible for the overall administration of the Plan.

and will be replaced with:

Third Party Administration. Administrative services are provided as follows:

- Medical claim administration is provided by MHealth, Inc.
- The Prescription Drug program is administered by Caremark
- The Plan Administrator is responsible for the overall administration of the Plan.

Page 72 of the Summary Plan Document for City of Stafford Health Care Benefits Plan (the Plan) plan document is hereby amended to **remove** the following:

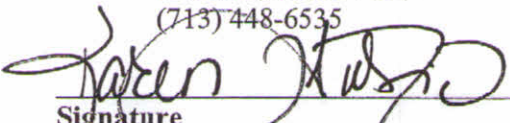
CLAIMS ADMINISTRATOR

Memorial Hermann Health Network Providers
9301 Southwest Freeway, Suite 5000
Houston, Texas 77074
(713) 448-6535

and will be replaced with:

CLAIMS ADMINISTRATOR

MHealth, Inc.
9301 Southwest Freeway, Suite 5000
Houston, Texas 77074
(713) 448-6535



Signature

Finance Director

Title

Paula Steubing

Witness

9/8/09

Date

