Midland Public Schools
Inspiring Excellence

Administrative Guidelines for MPS Insurance Plans

Eligibility

Classes Eligible for Coverage

All classes of participants of the plan are eligible except the following:

Part-time employees,
Temporary employees,
Seasonal employees, or
Any class of employees which has been specifically excluded from this plan.

For the purpose of this plan, a participant's dependent is any person as defined in the definitions section of this plan. Any person who is covered as a participant cannot also be covered as a dependent under this plan. No person shall be considered to be a dependent of more than one participant, the dependent will be covered under the person whose birthday anniversary occurs earlier in the calendar year.

Date Coverage Is Effective

Coverage under the plan shall become effective with respect to an eligible employee and eligible dependents on the first day of the month following the first day of full time employment.

Eligibility Requirements for Employee Coverage.

A person is eligible for Employee coverage from the first day that he or she:

(1) is a Full-Time, Active Employee of the Employer. An Employee is considered to be Full-Time if he or she normally works at least 30 hours per week (employed 75%) and is on the regular payroll of the Employer for that work.

(2) is in a class eligible for coverage.

Eligible Classes of Dependents.

A Dependent is any one of the following persons:

(1) A covered Employee's Spouse and children from birth to the limiting age of 26 years for the medical plan. Limiting age on the vision and dental plan is 25. When the child reaches the limiting age, coverage will end on the last day of the child's birthday month.

The term "Spouse" means a person that is considered to be a lawful spouse under the law of the state of the Employer. The Plan Administrator may require documentation proving a legal marital relationship.

The term "children" shall include natural children or adopted children. Step-children who reside in the Employee's household may also be included as long as a natural parent remains married to the Employee and also resides in the Employee's household.

If a covered Employee or their spouse is the Legal Guardian of a child or children, these children may be enrolled in this Plan as covered Dependents.

A dependent child shall remain a dependent hereunder until attaining the age specified in the schedule of benefits or until married for vision and dental coverage.

(2) A covered Dependent child who reaches the limiting age and is Totally Disabled, incapable of self-sustaining employment by reason of mental or physical handicap, primarily dependent upon the covered Employee for support and maintenance and unmarried. The Plan Administrator may require, at reasonable intervals during the two years following the Dependent's reaching the limiting age, subsequent proof of the child's Total Disability and dependency.

After such two-year period, the Plan Administrator may require subsequent proof not more than once each year. The Plan Administrator reserves the right to have such Dependent examined by a Physician of the Plan Administrator's choice, at the Plan's expense, to determine the existence of such incapacity.

These persons are excluded as Dependents: other individuals living in the covered Employee's home, but who are not eligible as defined; the legally separated or divorced former Spouse of the Employee; any person who is on active duty in any military service of any country; or any person who is covered under the Plan as an Employee.

If a person covered under this Plan changes status from Employee to Dependent or Dependent to Employee, and the person is covered continuously under this Plan before, during and after the change in status, credit will be given for deductibles and all amounts applied to maximums.

If both mother and father are Employees, their children will be covered as Dependents of the mother or father, but not of both. MPS uses the “Birthday Rule” to determine which parent will provide the coverage for the family. The employee whose date of birth comes first in the calendar year will be the one to carry the insurance plans for the family

Eligibility Requirements for Dependent Coverage

A family member of an Employee will become eligible for Dependent coverage on the first day that the Employee is eligible for Employee coverage and the family member satisfies the requirements for Dependent coverage.

At any time, the Plan may require proof that a Spouse or a child qualifies or continues to qualify as a Dependent as defined by this Plan.

Enrollment Requirements

An Employee must enroll for coverage by filling out and signing an enrollment application. The covered Employee is required to enroll for Dependent coverage also.

Enrollment Requirements for Newborn Children

A newborn child of a covered Employee who has Dependent coverage is not automatically enrolled in this Plan. Charges for covered nursery care will be applied toward the Plan of the newborn child. If the newborn child is not enrolled in this Plan within 31 days of the child's birth, there may be a penalty applied to claims associated with the birth and nursery charges for the child.
For coverage of Sickness or Injury, including Medically Necessary care and treatment of congenital defects, birth abnormalities or complications resulting from prematurity, the newborn child is required to be enrolled, he or she must be enrolled as a Dependent under this Plan within 31 days of the child's birth in order for non-routine coverage to take effect from the birth.

If the child is required to be enrolled and is not enrolled within 31 days of birth, the enrollment will be considered a Late Enrollment.

Qualified Medical Child Support Orders

A medical child support order is a child support order of a court which requires that an employee benefit plan provide coverage for a dependent child of a participant if the plan normally provides coverage for dependent children. Typically these types of orders are generated as a part of a divorce proceeding or a paternity action.
When the plan receives a medical child support order, it will notify the participant and each child specified in the order that it has been received and that the plan will review the order to determine if it is a qualified medical child support order (i.e., ***qualified order***).

MIDLAND PUBLIC SCHOOLS
EMPLOYED SPOUSE HEALTH INSURANCE ENROLLMENT PLAN
EFFECTIVE OCTOBER 1, 1995
Revised January 1, 2006

RESTATED FOR 2016 thru 2019 PLAN YEARS ONLY

The "employed spouse rule" means that the spouse of an employee must elect "primary" health insurance coverage through his/her employer when:

- Your spouse is employed an average of 30 hours or more per week and/or your spouse is retired and their employer/retirement plan provides an employer sponsored health care plan.

AND

- A group health care plan is available and the employer/plan administrator **either** pays all or part of the premium **or** if the employer offers an incentive to opt out of the employer's health care program (meaning Midland Public Schools requires that the spouse not elect an opt-out incentive).

If your spouse meets the criteria outlined above:

- Your spouse may need to inform his/her employer/plan administrator that he/she is not eligible for primary coverage benefits under the Midland Public Schools' plan and should enroll in his/her employer's/retirement health care plan.

Midland Public Schools uses the birthday rule to determine which spouse is primary for any dependent children. The spouse whose birthday falls earlier in a calendar year is considered to have the primary benefit plan for the dependent child(ren). The dependent child(ren) must be enrolled in the primary benefit plan.

Most employers will consider this a "status change" causing a loss of benefits and will allow the spouse to enroll or re-enroll in the employer's plan without waiting for an open enrollment period.

In some cases, however, your spouse may find that enrollment or re-enrollment may be limited to a specified open enrollment period. If this is the case, please have your spouse apply for benefits and provide written documentation from the employer, which specifies the enrollment period. During that period, your spouse must enroll in the employer's health plan. MPS will continue to provide primary coverage until that time.

This system will require honesty and good faith on the part of both employees and the Midland Public Schools. Employees will need to notify the Midland Public Schools of any changes that affect a spouse's eligibility. In addition, employees may be asked to attest in writing to the status of a spouse's benefits.

BUT

For the 2016 through 2019 plan years only, if an employee is already enrolled in the Midland Public Schools MESSA insurance policy and qualifies for Full Family coverage (covering themselves and at least two dependent children), they can add their spouse to the MPS MESSA plan with primary coverage, even if the spouse is offered insurance by his/her employer. The birthday rule determining primary coverage for dependent children will no longer apply, and the spouse will not be required to enroll in his/her employer's health insurance plan. However, once the number of dependent children drops below two, the spouse will no longer have the option of primary coverage under the MPS MESSA plan if their employer offers a subsidized health insurance plan. They will be allowed to continue with secondary coverage only and the birthday rule determining primary coverage for the remaining dependent child goes back into effect. Most employers will consider this a "status change" causing loss of benefits and will allow the spouse to enroll or re-enroll in the employer's plan without waiting for an open enrollment period. If the spouse's employer does not allow enrollment except at a specified open enrollment period, the spouse should apply and provide written documentation from their plan administrator which specifies the open enrollment period. Midland Public Schools will continue to provide primary coverage for the spouse until that time.

The Employed Spouse rule also applies to your retired spouse if his/her retirement plan provides a subsidized group health care plan.

Medicare Eligible

If an employee's spouse is Medicare eligible, this plan is automatically primary for the spouse, to the extent stated in federal law, provided the employee is actively working. When an employee terminates employment, the employee and spouse must enroll in Medicare Parts A, B, & D, if eligible/applicable.

This system will require honesty and good faith on the part of both employees and the Midland Public Schools. Employees will need to notify the Midland Public Schools of any changes that affect a spouse's eligibility. In addition, employees may be asked to attest in writing to the status of a spouse's benefits.

TIMELY OR LATE ENROLLMENT

(1) **Timely Enrollment** - The enrollment will be "timely" if the completed form is received by the Plan Administrator no later than 31 days after the person becomes eligible for the coverage, either initially or under a Special Enrollment Period.

(2) **Late Enrollment** - An enrollment is "late" if it is not made on a "timely basis" or during a Special Enrollment Period. Late Enrollees and their Dependents who are not eligible to join the Plan during a Special Enrollment Period may only join during open enrollment.

If two Employees (husband and wife) are covered under the Plan and the Employee who is covering the Dependent children terminates coverage, the Dependent coverage may be continued by the other covered Employee with no waiting period as long as coverage has been continuous.

SPECIAL ENROLLMENT PERIODS

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 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.

Enrollment: Special Enrollees

The Health Insurance Portability and Accountability Act of 1996 requires that group health programs allow certain individuals be covered by the plan as ***special enrollees*** as follows:

If an otherwise eligible employee or dependent declined coverage under the plan at the time of initial eligibility, and stated in writing at that time that coverage was declined because of other group health coverage, and that other group health coverage is subsequently lost, and that person makes application for coverage hereunder within 30 days of the loss of the other health coverage, such individual shall be a ***special enrollee*** provided:

- Such person lost the other health coverage as a result of loss of eligibility for the coverage (including as the result of legal separation, divorce, death, termination of employment, or reduction in the number of hours of employment, but not including an increase in cost of the other coverage or reduction in benefits of the other coverage); or,
- Employer contributions toward such other coverage were terminated; or,
- The eligible employee or dependent was covered under a COBRA continuation provision and the COBRA continuation period has been exhausted.

Individuals who lose other health coverage due to non-payment of premium or for cause (e.g., filing fraudulent claims) shall not be a ***special enrollee*** hereunder.

An otherwise eligible employee who is not covered by the plan, an otherwise eligible employee and dependent who are not covered by the plan, or a participant's dependent who is not otherwise covered by the plan may apply for coverage under the plan as a result of the acquisition of a new dependent by the participant through marriage and shall be a ***special enrollee*** provided such person is properly enrolled as a participant or dependent of the participant within 30 days of the acquisition of the new dependent.

A newborn child, a child placed for adoption, or a newly-adopted child of a covered participant will be covered from the moment of birth, placement for adoption, or adoption, including coverage for the necessary care or treatment of medically diagnosed congenital defects, birth abnormalities, or prematurity, provided the child is properly enrolled as a dependent of the participant within 30 days of the child's date of birth, adoption, or placement for adoption.

Coverage for a ***special enrollee***, other than for a newborn, a child placed for adoption, or a newly-adopted child, shall begin as of the first day of the calendar month following a timely enrollment request.
HIPAA requires that the Plan allow those individuals who enroll as ***special enrollees*** to be offered the opportunity to enroll in a different plan option, if another option exists.

Enrollment: Open Enrollment

An open enrollment period shall be held each Fall, usually in October. Any eligible employee of the company who was not previously covered may choose to be covered, including himself and any eligible dependents. If an employee failed to enroll an eligible dependent within the initial 30 day enrollment period, the Open Enrollment period will give them an opportunity to do so.

Benefit choices made during the open enrollment period will become effective January 1st and remain in effect until the next January 1st unless there is a change in family status during the year (birth, death, marriage, divorce, adoption) or loss of coverage due to loss of spouse's employment. To the extent previously satisfied, coverage waiting periods limits will be considered satisfied when changing from one plan to another plan.

Family and Medical Leave Act Continued Coverage

All participants and their dependents covered under the plan who are eligible for a leave of absence under the Family and Medical Leave Act of 1993 (i.e., FMLA) shall have the right to continue coverage under the plan for the term of the leave of absence under the same terms, conditions, and coverage as enjoyed by all other participants.
If the plan requires a contribution from the participant for normal coverage, those contributions must be paid by the participant during the term of the leave of absence in order for coverage under the plan to continue.
If the leave of absence is a paid leave, normal contributions will be deducted from those payments.
If the leave of absence is not a paid leave, the participant must pay the contribution to the plan, through the company as the plan administrator, at the same time that contributions are normally taken from the company payroll. If a contribution is not made within 15 days of such date, coverage under the plan for the participant and all covered dependents will end after a 15 day non-payment notice is given and payment is not received during the 15 day period. All eligible claims which are incurred during the 15 days will still be considered as eligible by the plan. The company may withhold a delinquent contribution from any amount due the participant or may bring a legal action to recover the contribution if not paid by the participant.
If a participant returns to employment during or at the end of the FMLA leave of absence and during the leave the participant's coverage under the plan has ended for any reason, the participant will be allowed to re-enter the plan as of the date that the participant returns to work. The participant and those dependents who were previously covered by the plan will not be subject to a waiting period. Coverage for new entrants at the time that the participant returns to work will be governed by the terms of the plan.
The company may recover its contribution to the plan for a participant who is on an unpaid FMLA leave of absence if the participant fails to return to work for at least 30 days after the FMLA leave has been exhausted or expires, unless the reason the participant does not return to work is due to one of the following:

- The continuation, recurrence, or onset of a serious health condition which would entitle the participant to leave under the FMLA; or other circumstances beyond the participant's control.
- The company may recover its contribution from any sums due the participant provided such deductions do not violate applicable federal or state wage payment or other laws.
- The company may also bring legal action against the participant to recover its share of the contribution.

If the participant elects or is required to substitute normal company paid leave (vacation, sick days, personal days, etc.) for part or all of a FMLA leave, the company may not recover its contribution for the period of the leave that is covered by the normal company paid leave

Termination of Coverage

Termination of coverage of a participant will occur on the earliest of the following:

- The provisions of the plan for the coverage terminate
- His or her class is no longer included in the eligible coverage classes
- If the coverage is contributory, any contribution required of him or her for any coverage under the plan is not made when due
- At their paid through date at the time of termination.

Termination during Active Employment

In the event, for any cause, that the Employee ceases Active Employment with the School District, medical insurance coverage as provided by this Plan shall terminate at the end of the next month following the month during which such Active Employment ceased, provided all premium contributions have been made.

The plan administrator will signify a participant's termination of employment by notifying the plan supervisor. No contributory coverage may be continued beyond the end of the period for which the participant has made the required contributions to the plan administrator.
Any dependent coverage of a participant covered for dependent coverage will cease, regardless of continuation of other dependent coverage when one or more of the following apply:

- The individual ceases to be a dependent as defined herein,
- The participant is no longer covered under this plan, and/or
- The dependent becomes eligible for participant coverage hereunder.

If a child who is a dependent as defined herein is incapable of self-sustaining employment by reason of mental retardation or physical handicap and is chiefly dependent upon the participant for support and maintenance beginning prior to the end of the calendar year in which he or she turns the age specified in the schedule of benefits, coverage will continue for the dependent until the earliest of the following:

- The participant discontinues his or her coverage hereunder,
- The participant is no longer considered an eligible participant,
- The plan is cancelled, or
- The disability no longer exists as determined by the plan.

Satisfactory evidence of such disability and dependency is required by the plan. Such evidence must be received within 120 days after the end of the calendar year in which the maximum age is attained. The plan may require that the evidence of disability or dependency be updated annually.

Layoff – Non-renewal (Applicable only to those employees classified as Teachers)

In the event that the participant is laid off (at any time other than the conclusion of the school year) or “non-renewed”, coverage as provided by this Plan shall terminate at the end of the month following the month during which such layoff or non-renewal took place provided the participant makes the required contribution.

Layoff – At the conclusion of a School Year (Applicable only to those employees classified as Teachers)
In the event that the participant is laid off at the conclusion of the school year, coverage as provided by this Plan shall terminate at the last day of August of that same year.

Rehiring a Terminated Employee

A terminated Employee who is rehired will be treated as a new hire and be required to satisfy all Eligibility and Enrollment requirements.

SUMMARY

An MPS eligible employee will receive Insurance benefits starting on the first day of the month following the first day of employment.

A spouse can be added to an MPS benefited employee's medical plan with primary coverage only if they work less than 30 hours per week and have to pay the full premiums at their place of employment. For the 2016-2019 plan years, if the MPS benefited employee already has at least 2 children on their policy and qualifies for Full Family coverage they can add their spouse to their medical plan with primary coverage, even if their spouse has other coverage available. The MPS employee will be responsible for paying a higher percentage rate for Employee +1 or Family coverage.

Midland Public Schools uses the birthday rule to determine which spouse is primary for any dependent children. The spouse whose birthday falls earlier in a calendar year is considered to have the primary benefit plan for the dependent child(ren). The dependent child(ren) must be enrolled in the primary benefit plan, with the exception of a qualified medical child support order.

An MPS benefited employee can enroll their spouse and/or eligible children with primary coverage on their dental and/or vision plans at the time of hire or during any open enrollment period. There is no cost to the MPS employee for adding dependents to their dental plan. There is a charge for adding dependents to the vision plan. Contact the Benefits Specialist for a quote.

When leaving Midland Public Schools, termination of medical insurance benefits will end the last day of the month following the month of termination provided all premium contributions have been made. The exception to this rule is teachers that are leaving at the end of the school year. Their medical insurance will terminate on August 31st and their vision and dental insurance will terminate on July 31st. Teachers that are retiring at the end of the school year will have medical, vision, and dental until August 31st.

At any time, the Plan may require proof that a spouse or a child qualifies or continues to qualify as a Dependent as defined by this Plan.