

SOUTH COLONIE CENTRAL SCHOOLS

HEALTH INSURANCE REGULATIONS

JULY 1, 2016

I. Types of Plans (availability is dependent upon employee bargaining unit contract)

Blue Shield of Northeastern New York — 907 Plan

Blue Shield of Northeastern New York — POS 211

Blue Shield of Northeastern New York — PPO 816

Blue Shield Medicare Advantage In-Area Plan — PPO 799

Blue Shield Medicare Advantage Out-of-Area Plan — PPO 799

Capital District Physicians' Health Plan EPO

Capital District Physicians' Medicare Advantage Plan

Delta Dental

Express Scripts (ESI) Prescription Plan

Dental/Optical Reimbursement Plan

Any future plans offered by the School District

II. Eligibility

A. Active Employees

New employees eligible for any coverage above may enroll within thirty (30) days from the date of Board of Education action on their appointment. Coverage begins on the first day of the first month immediately following:

1. the effective date of appointment by the Board of Education, and;
2. the completion of the enrollment application forms.

Eligibility for full-time and part-time employees is determined based on the respective bargaining unit contracts, the terms and conditions of the health insurance policies, the Affordable Care Act, and any other applicable School District regulations or policies.

B. Retirees

An employee who has completed ten (10) years of benefit-eligible service with the School District at retirement is eligible to maintain health insurance coverage into retirement provided each of the followings requirements are met:

1. The employee is at least fifty-five (55) years of age, except for special NY State authorized and Board of Education approved early retirement incentives. Teachers who reach fifty-five during July or August may retire effective June 30 of the year of their 55th birthday.
2. The employee's coverage (e.g., family, two-person or individual) is the same as the coverage maintained immediately prior to retirement. Therefore, any additions to an employee's coverage, including, but not limited to, increasing the benefits or adding additional persons to the coverage, must have an effective date prior to the date of retirement. Retirees may change coverage within a plan (e.g., family to two-person or two-person to individual) when such a change results in a reduction of premium for both the retiree and the School District. This type of change can be made at any time. However, once a person has been removed, that person cannot be added back to the policy, except as required by the Affordable Care Act for certain children under the age of 26 years, which can only be done during an open enrollment period, unless there is a qualifying event.
3. For each year or period of coverage, the retired employee pays the same as an active employee's share of individual, family or two (2) person coverage, whichever is applicable, as specified by contract, as if the retired employee were still an active employee. Failure to make payment for a period of 30 days will result in the loss of insurance coverage.

4. The employee must formally notify the School District of his or her intention to carry health insurance coverage into retirement. (If an employee does not officially notify the School District as of his or her last workday, the employee forfeits the right to have health insurance coverage after that date).

5. Dental plans cannot be taken into retirement, but can be carried up to eighteen (18) months on a COBRA Plan, unless there is a provision within the bargaining contract. The retiree shall pay the full cost of the premium plus 2%.

6. The Express Scripts Prescription Plan (where applicable by employee bargaining unit contract) can be taken into retirement. Retired employees are required to pay the same as an active employee for each year or period of coverage as set forth above in B.3., unless otherwise stated within the bargaining contract.

7. Nothing contained herein shall entitle a retiree to any greater benefits than an active employee for the year or period of coverage at issue. The School District may change a retiree's plan or modify a retiree's coverage, benefits, and costs of health insurance provided through collective bargaining agreements where a corresponding change or modification is made for active employees for the year or period of coverage at issue. Coverage for a retiree is also subject to any terms and conditions of the respective health insurance policy.

The retired employee may request a change in health plans within the first two open enrollment periods immediately following the date of his or her retirement. Open enrollment is described in section V.A. of these regulations. Coverage becomes effective on January 1 or July 1, whichever date occurs first. A request to change health insurance plans after the first two (2) open enrollment periods must be

submitted in writing and subject to the approval of the Assistant Superintendent for Management Services before it can be granted.

Retirees with CDPHP or, (where applicable) Blue Shield POS 211 coverage who are no longer able to receive adequate access to services (e.g., moved out of service area) will be able to transfer into the (where applicable by employee bargaining unit contract) Blue Shield of Northeastern New York 907 program, or (where applicable by employee bargaining unit contract) Blue Shield PPO Plan. When these types of transfers are necessary, the effective date will be the usual open enrollment months.

When retirees become Medicare eligible, they will be able to switch to a Medicare Advantage Plan, providing that they elect both Parts A and B of Medicare and otherwise qualify. A request to change from a Medicare Advantage plan back to their prior health plan (if still available under the bargaining unit contract) can be made within the first two (2) open enrollment periods after the switch to a Medicare Advantage Plan, unless the Medicare Advantage Plan is required under the employee's bargaining unit contract. A request to change health insurance plans after the first two (2) open enrollment periods must be submitted in writing and subject to the approval of the Assistant Superintendent for Management Services before it can be granted.

The School District will not pay (with the exception of contractual agreements) for coverage of a retiree's spouse if the retiree is deceased. The spouse may carry the insurance by paying the full cost of premium.

III. Disability Retirement

An employee eligible for a disability retirement is allowed to maintain health insurance coverage as a retiree provided that the eligible employee meets all retirement provisions in the contract, except age. Disability retirement is pursuant to New York State Disability Retirement and/or Social Security Disability provided that the subject employee satisfies all requirements, except age. If, at any time, the

disability retirement is rescinded, the employee will be able to maintain health insurance coverage provided the employee pays the entire cost of health insurance.

An employee applying for a disability retirement may continue to have health insurance coverage while his or her application is reviewed by the appropriate agency as long as the employee pays the full cost of the monthly premium on a COBRA plan. If the disability retirement is denied, the employee can continue on this COBRA Plan for 18 months.

IV. Leaves

A. Approved Leave of Absence

1. An employee granted an approved leave of absence has the right to eighteen (18) months of continued health, dental and prescription insurance coverage under the COBRA Law, provided the employee pays the full cost of the monthly premium required for the insurance (without any contribution from the School District), plus 2% of this amount for each month of coverage. Failure to make payment for a period of 30 days will result in the loss of insurance coverage.

2. If an employee is eligible for leave under the Family Medical Leave Act, up to twelve (12) weeks of School District paid insurance coverage is provided (note: the employee is responsible for any employee share). Failure to make payment for a period of thirty (30) days results in the loss of insurance coverage.

B. “Off the Payroll”

Generally, an employee who has exhausted paid sick leave may continue health, dental and prescription insurance coverage for a period of eighteen (18) months under the COBRA Law, provided the employee pays the full cost of the monthly premium required for the insurance (without any contribution from the School District), plus 2% of this amount for each month of coverage. Failure to make payment for a

period of thirty (30) days results in the loss of insurance coverage. Each employee will be reviewed on a case-by-case basis to determine compliance with federal laws and regulations.

V. Changes and Additions in Coverage

A. Open Enrollment

An employee may change health and prescription insurance coverage during the open enrollment periods of May and November; dental coverage during the open enrollment period of May only. Changes will go into effect on July 1 and January 1, respectively (dental — July 1) and must stay in effect for one plan year. A qualifying event (as defined in Section 125 of the Internal Revenue Code) may permit an employee to make changes in coverage during a special enrollment period. Some situations that may constitute qualifying events are marriage, divorce, birth of a child, adoption, death, and loss of coverage.

If a new employee fails to apply for health insurance within the thirty (30) day period from the date of Board appointment, the employee will have to wait until the next open enrollment period to apply for health insurance unless otherwise required by federal law or regulation.

B. Changes and Additions to Coverage

An employee must notify the insurance department of changes which affect coverage.

Employees have the right to change coverage and health plans during the open enrollment period. Change in coverage means a change from individual to two-person or family coverage. The Dental Plan open enrollment period is only offered in May for July coverage.

Additional regulations with respect to change in coverage are as follows:

1. Dependents are not automatically added to existing coverage. As an example, a new birth is to be reported within 30 days of the baby's birth in order to obtain the proper coverage. A new birth is to be reported even if the employee has family coverage.
2. Coverage is provided under federal law for certain children up to age 26 for health and prescriptions plans. Dental plan coverage is provided for children up to age 19. Dental coverage may be extended up to age 25, if the child is a full time student attending an accredited university or college.
3. Unmarried children who are incapable of self-support because of mental retardation or physical disability may have health coverage available without any age limitation in cases where the disability commenced prior to age 19.
4. If an employee marries and wants to change coverage to two-person, the change must be made within 30 days of the date of the marriage.
5. An employee covered by a spouse's hospitalization plan that is terminated may be allowed to enroll in one of the School District's health insurance plans. The effective date would be the termination date of the spouse's policy. Proof of prior insurance coverage and the fact the coverage was terminated must be provided by the employee prior to enrollment in the School District's plan.
6. An employee who has premiums deducted on a pre-tax basis may only change coverage during an open enrollment period, unless there is a qualifying event as defined in Section 125 of the Internal Revenue Code.
7. Coverage is provided under New York law to certain children through the age of 29 for health

insurance only pursuant to Chapter 240 of the Laws of 2009. Certain participation requirements must be met in order to qualify.

8. The School District may change these regulations when appropriate, including to address changes in laws and regulations, to avoid penalties, or to comply with any applicable laws or regulations.

VI. Dependent Survivors

An employee with three (3) years of continuous service during which time the employee was eligible for health insurance coverage may retain coverage for their spouse should the employee die, provided the full cost of the monthly premium for the coverage is paid by the spouse (without any contribution from the School District), except as provided in negotiated contracts. Should the surviving spouse remarry, coverage cannot be extended to any additional members of the family. Dependent children are eligible for coverage under the same provisions set forth in Sections V.B.2 and V.B.3, above. Dependent survivors must apply for coverage within sixty (60) days from the death of the employee.

VII. Resignations and Terminations

A. Employees, who resign, are terminated, or otherwise leave the employ of the School District, shall be eligible for continuation coverage of health, dental and prescription insurance as provided by Consolidated Omnibus Reconciliation Act of April 1986 (COBRA) for up to eighteen (18) months. Teachers may be eligible for additional coverage under Article 23A.4 of the SCTA contract, which would be effective before the COBRA Plan.

B. The following applies to 10 month employees only:

1. An excessed 10 month employee, who is otherwise eligible for health insurance and rehired for work in the summer, is eligible for health, dental and prescription insurance in the month or months that he or she actually performs work for which he or she is paid, provided the employee share of the monthly premium is paid.

2. An employee excessed effective the last day of the school year (June 30) that is otherwise eligible for health insurance will be eligible for continuous coverage under COBRA. If rehired, and the appointment is approved by the Board of Education no later than the second regular meeting in October or an appointment on a subsequent agenda retroactive to the opening day of school, the employee is deemed to have continuous service. The employee may have coverage as of September 1 as long as they re-enroll for health insurance within seven (7) workdays after the Board takes action on their appointment. In addition, the applicable School District's share of health insurance premiums paid by the rehired employee for the months of July and August for the rehired employee will be refunded to said rehired employee provided (1) all conditions mentioned above are met, and (2) any excessed employee who elects to collect unemployment insurance during July and August will be deemed by the School District to have been unemployed during that period and therefore will not be eligible for any health insurance premium reimbursements by the School District.

3. An excessed 10-month employee who is otherwise eligible for health insurance is hired for one (1) month during the summer is eligible for health insurance in that month provided the employee share is paid. Should this employee be rehired in September, he or she would only be eligible for a refund for the month not worked. An excessed employee working both summer months and having paid the employee share would not be eligible for any refund.

VIII. Medicare Reimbursements

Medicare reimbursement is provided to active employees and retirees who elect Part "B" Medicare according to the following criteria:

A. Part "B" Medicare reimbursements are fixed at \$7.20 per month. Effective July 1, 1989, active employees 65 years old or older who do not elect Part "B" Medicare are not eligible for this reimbursement. Effective September 1, 1992, the School District will not provide Medicare

reimbursement for individuals who elect Part "B" Medicare on or after September 1, 1992. However, the School District will continue to provide Medicare reimbursement in the manner set forth above for those active employees and retirees who were receiving such reimbursement prior thereto, and for retirees who retired prior to September 1, 1992 and who become 65 years of age after September 1, 1992 and elect Part "B" Medicare. The election of Part "B" Medicare is required by CDPHP and for all Blue Shield participants who turn Age 65 after September 1, 2008.

B. The spouse of an employee eligible for Medicare Reimbursement cannot receive reimbursement. This regulation became effective as of March 1, 1977.

C. If an employee receives Medicare reimbursement from their spouse's employer, the employee cannot receive partial Medicare reimbursement (\$7.20 per month) from the School District. If the spouse dies and the benefit is lost, the employee may apply for partial reimbursement from the School District by submitting in writing all necessary information to the Insurance Department at the School District Office.

D. Medicare reimbursements will be used to offset premiums due the School District and will be reflected on the premium billings.

IX. Dental/Optical Expense Reimbursement Plan

Plan Explanation

The School District established this self-administered plan to reimburse each eligible bargaining unit employee and dependents annually (July 1 - June 30) for Dental/Optical expenses. The combined total amount payable in 2016-2017 to an employee and his or her dependents cannot exceed the contractual limits for 2016-2017.

Enrollment

Each eligible bargaining unit employee should fill out a Dental/Optical Enrollment form listing all dependents to be covered. Full-time college students, up to the age of 25, will be covered as long as they remain full-time students. Upon graduation, the employee must notify the insurance department that the dependent is no longer a full-time student and the dependent will come off the plan. The dependent will be eligible for continued coverage as provided by the Consolidated Omnibus Reconciliation Act of April 1986 (COBRA) for up to eighteen (18) months. Retirees are not eligible for Dental/Optical expense reimbursement, unless expressly provided otherwise per negotiated agreement. However, a retiree shall be eligible for continued coverage as provided by the Consolidated Omnibus Reconciliation Act of April 1986 (COBRA) for up to eighteen (18) months.

Reimbursement

A yellow Dental/Optical Reimbursement Claim Form (supplied at the School District and Building Offices) must be completed. A claim form should be completed for each date of service and each family member seeking reimbursement. A paid receipt of services must be attached. If a paid receipt is not attached or the form is not completed as requested, the claim will not be processed for payment and sent back to the employee. When completed, all forms should be forwarded to the School District Office Insurance Department where they will be processed. Reimbursement checks will be forwarded to all employees via interoffice mail. The Insurance Department will keep the year's allowance open through July 15, 2017, for services dated no later than June 30, 2017. Account balance remaining after July 15th will be forfeited. Claims received for a new school year will begin to be processed for payment on the 2nd bill schedule in July.