



DAVISON COMMUNITY SCHOOLS

MEMORANDUM
September 28, 2023

TO: Eligible Full-Time Employees
FR: Kathy Morris, Benefits Secretary
RE: **Federally Required Notices**

Please read the following notices:

1. Your Prescription Drug Coverage and Medicare

If you have Medicare or will become eligible for Medicare in the next 12 months, a Federal law gives you more choices about your prescription drug coverage. Please read section 1 for more details.

2. Special Enrollment Events/Changes in Family Status

Insurance changes other than through annual open enrollment.

3. Newborn's and Mother's Health Protection Act

4. Women's Health & Cancer Rights Act

5. Michelle's Law – Extending Dependent Coverage

1. **Your Prescription Drug Coverage and Medicare:** Please read this notice carefully and keep it where you can find it. This notice has information about your current prescription drug coverage with Davison Community Schools and about your options under Medicare's prescription drug coverage. This information can help you decide whether or not you want to join a Medicare drug plan. If you are considering joining, you should compare your current coverage, including which drugs are covered at what cost, with the coverage and costs of the plans offering Medicare prescription drug coverage in your area. Information about where you can get help to make decisions about your prescription drug coverage is at the end of this notice.

There are two important things you need to know about your current coverage and Medicare's prescription drug coverage:

- a. Medicare prescription drug coverage became available in 2006 to everyone with Medicare. You can get this coverage if you join a Medicare Prescription Drug Plan or join a Medicare Advantage Plan (like an HMO or PPO) that offers prescription drug coverage. All Medicare drug plans provide at least a standard level of coverage set by Medicare. Some plans may also offer more coverage for a higher monthly premium.
- b. MESSA's actuaries, Willis Towers Watson, have determined that the prescription drug coverage offered by the Davison Community Schools is, on average for all plan participants, expected to pay out as much as standard Medicare prescription drug coverage pays and is

therefore considered Creditable Coverage. **Because your existing coverage is Creditable Coverage, you can keep this coverage and not pay a higher premium (a penalty) if you later decide to join a Medicare drug plan.**

When can you join a Medicare drug plan?

You can join a Medicare drug plan when you first become eligible for Medicare and each year from October 15 through December 7.

However, if you lose your current creditable prescription drug coverage, through no fault of your own, you will also be eligible for a two (2) month Special Enrollment Period (SEP) to join a Medicare drug plan.

What happens to your current coverage if you decide to join a Medicare drug plan?

If you decide to join a Medicare drug plan, your current Davison Community Schools coverage will be affected.

If you do decide to join a Medicare drug plan and drop your current Davison Community Schools coverage, be aware that you and your dependents **will not** be able to get this coverage back.

When will you pay a higher premium (penalty) to join a Medicare drug plan?

You should also know that if you drop or lose your current coverage with Davison Community Schools and do not join a Medicare drug plan within 63 continuous days after your current coverage ends, you may pay a higher premium (a penalty) to join a Medicare drug plan later.

If you go 63 continuous days or longer without creditable prescription drug coverage, your monthly premium may go up by at least 1% of the Medicare base beneficiary premium per month for every month that you did not have that coverage. For example, if you go nineteen months without creditable coverage, your premium may consistently be at least 19% higher than the Medicare base beneficiary premium. You may have to pay this higher premium (a penalty) as long as you have Medicare prescription drug coverage. In addition, you may have to wait until the following October to join.

For more information about this notice or your current prescription drug coverage:

Contact the person listed below for further information. **NOTE:** You will get this notice each year. You will also get it before the next period you can join a Medicare drug plan, and if this coverage through Davison Community Schools changes. You also may request a copy of this notice at any time.

For more information about your options under Medicare prescription drug coverage:

More detailed information about Medicare plans that offer prescription drug coverage is in the “Medicare & You” handbook. You’ll get a copy of the handbook in the mail every year from Medicare. You may also be contacted directly by Medicare drug plans.

For more information about Medicare prescription drug coverage:

- Visit www.medicare.gov.
- Call 1-800-MEDICARE (1-800-633-4227), TTY users should call 1-877-486-2048.
- Call your State Health Insurance Assistance Program (see page 125 of your copy of the “Medicare & You” handbook for their telephone number) for personalized help.

If you have limited income and resources, extra help paying for Medicare prescription drug coverage is available. For information about this extra help, visit Social Security on the web at www.socialsecurity.gov, or call them at 1-800-772-1213 (TTY 1-800-325-0778).

Keep this notice. If you enroll in one of the new plans approved by Medicare which offer prescription drug coverage, you may be required to provide a copy of this notice when you join to show that you are not required to pay a higher premium amount.

You are responsible for providing a copy of this disclosure to your Medicare-eligible dependents covered under your group health plan.

Date: September 28, 2023
 Name of Entity/Sender: Davison Community Schools
 Contact - Position/Office: Kathy Morris, Benefits Secretary
 Address: 1490 N. Oak Road, P.O. Box 319, Davison, MI 48423
 Phone Number: (810) 591-3373

2. **Special Enrollment Events/Changes in Family Status:** All employees may make changes to their health insurance benefits annually, during open enrollment, which is held in November of each year. If you decline coverage for yourself and/or your dependents (including your spouse) when you first become eligible for insurance or during open enrollment because you are covered by another health insurance plan, you may be able to enroll yourself or your dependents in this plan in the future. If you acquire a new dependent as a result of marriage, birth, adoption or placement for adoption, you may be able to enroll your dependents provided that you request enrollment within 30 days after the event. These events are referred to as changes in “family status.” In addition, if you were to lose coverage, you must request enrollment within 30 days after the coverage ends and if the event qualifies as a “family status” change. To request a special enrollment contact Kathy Morris at 810-591-3373 (extension 2020).
3. **Newborn’s and Mother’s Health Protection Act:** Group health plans and health insurance issuers generally may not, under federal law, restrict benefits for any hospital length of stay in connection with childbirth for the mother or newborn child to less than 48 hours following a normal vaginal delivery, or less than 96 hours following a cesarean section. However, federal law generally does not prohibit the mother’s or newborn’s attending physician, after consulting with the mother, from discharging the mother of her newborn earlier than 48 hours (or 96 hours as applicable). In any case, health plan providers may not require that a provider obtain authorization for prescribing a hospital length of stay of less than 48 hours (or 96 hours).

4. **Women's Health & Cancer Rights Act:** If you receive plan benefits in connection with a mastectomy, you are entitled to coverage for the following under the plan:

- a. Reconstruction of the breast on which the mastectomy was performed
- b. Surgery and reconstruction of the other breast to produce a symmetrical appearance
- c. Prostheses and treatment for physical complications for all stages of a mastectomy, including lymphedemas (swelling associated with the removal of lymph nodes)

The plan will determine the manner of coverage in consultation with you and your attending doctor. Coverage for breast reconstruction and related services will be subject to deductibles and coinsurance amounts that are consistent with those that apply to other benefits under the plan. If you would like further information about the Women's Health & Cancer Rights Act, please contact MESSA member services at 800-336-0013 or Kathy Morris at 810-591-3373.

5. **Michelle's Law:** Federal legislation known as "Michelle's Law" generally extends eligibility for group health benefit plan coverage to a dependent child who is enrolled in an institution of higher education at the beginning of a medically necessary leave of absence if the leave normally would cause the dependent child to lose eligibility for coverage under the plan due to loss of student status. The extension of eligibility protects eligibility of a sick or injured dependent child for up to one year.

The Davison Community Schools medical insurance plan (the "Plan") currently permits an employee to continue a child's coverage past the child's 26th birthday until the child's 28th birthday] if that child is enrolled at an accredited institution of learning on a full-time basis, with full-time defined by the accredited institution's registration and/or attendance policies. Michelle's Law requires the Plan to allow extended eligibility in some cases for a dependent child who would lose eligibility for Plan coverage due to loss of full-time student status.

There are two definitions that are important for purposes of determining whether the Michelle's Law extension of eligibility applies to a particular child:

- Dependent child means a child of a plan participant who is eligible under the terms of a group health benefit plan based on his or her student status and who was enrolled at a post-secondary educational institution immediately before the first day of a medically necessary leave of absence.
- Medically necessary leave of absence means a leave of absence or any other change in enrollment:
 - of a dependent child from a post-secondary educational institution that begins while the child is suffering from a serious illness or injury
 - which is medically necessary
 - and which causes the dependent child to lose student status under the terms of the Plan

For the Michelle's Law extension of eligibility to apply, a dependent child's treating physician must provide written certification of medical necessity (i.e., certification that the dependent child suffers from a serious illness or injury that necessitates the leave of absence or other enrollment change that would otherwise cause loss of eligibility).

If a dependent child qualifies for the Michelle's Law extension of eligibility, the Plan will treat the dependent child as eligible for coverage until the earlier of:

- One year after the first day of the leave of absence
- The date that Plan coverage would otherwise terminate (for reasons other than failure to be a full-time student)

A dependent child on a medically necessary leave of absence is entitled to receive the same Plan benefits as other dependent children covered under the Plan. Further, any change to Plan coverage that occurs during the Michelle's Law extension of eligibility will apply to the dependent child to the same extent as it applies to other dependent children covered under the Plan.