



DAVISON COMMUNITY SCHOOLS

MEMORANDUM

October 23, 2019

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 prescription drug coverage available for people with Medicare. It also explains the options you have under Medicare prescription drug coverage and can help you decide whether or not you want to enroll. At the end of this notice is information about where you can get help to make decisions about your prescription drug coverage.

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 through Medicare prescription drug plans and Medicare Advantage Plans that offer prescription drug coverage. All Medicare prescription 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. Davison Community Schools has determined that the prescription drug coverage offered by the MESSA is, on average for all plan participants, expected to pay out as much as the standard Medicare prescription drug coverage will pay and is considered Creditable Coverage.

Because your existing coverage is on average at least as good as standard Medicare prescription drug coverage, you can keep this coverage and not pay extra if you later decide to enroll in Medicare prescription drug coverage.

Individual's can enroll in a Medicare prescription drug plan when they first become eligible for Medicare and each year from October 15th through December 7th. Beneficiaries leaving employer/union coverage may be eligible for a Special Enrollment Period to sign up for a Medicare prescription drug plan.

You should compare your current coverage, including which drugs are covered, with the coverage and cost of the plans offering Medicare prescription drug coverage in your area. If you decide to enroll in a Medicare prescription drug plan your Davison Community Schools prescription drug 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.

Please contact us for more information about what happens to your coverage if you enroll in a Medicare prescription drug plan.

A description of the prescription drug coverage provided by your MESSA insurance offered by Davison Community Schools can be found on the Davison Community Schools website, www.davisonschools.org and on the MESSA website, www.messa.org. Prescription drug coverage information is also available from the Davison Community Schools' Personnel Office. Your current coverage pays for other health expenses, in addition to prescription drugs, and you will still be eligible to receive all of your current health and prescription drug benefits if you choose to enroll in a Medicare prescription drug plan.

You should also know that if you drop or lose your coverage with Davison Community Schools and don't enroll in Medicare prescription drug coverage after your current coverage ends, you may pay more (a penalty) to enroll in Medicare prescription drug coverage later. If you go 63 days or longer without prescription drug coverage that's at least as good as Medicare's prescription drug coverage, your monthly premium will go up at least 1% per month for every month that you did not have that coverage. For example, if you go nineteen months without coverage, your premium will always be at least 19% higher than what many other people pay. You'll have to pay this higher premium as long as you have Medicare prescription drug coverage. In addition, you may have to wait until the following October to enroll.

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

Contact Kathy Morris, Benefits Secretary, Davison Community Schools for further information at (810) 591-3373. NOTE: You will receive this notice annually and at other times in the future such as before the next period you can enroll in Medicare prescription drug coverage, and if this coverage through MESSA changes. You also may request a copy.

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 prescription drug plans. For more information about Medicare prescription drug plans:

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

For people with limited income and resources, extra help paying for Medicare prescription drug coverage is available. Information about this extra help is available from the Social Security Administration (SSA) online at www.socialsecurity.gov, or you 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: October 23, 2019
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

- 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).
- 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. Prosthesis 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.