



P.O. Box 91110  
Sioux Falls, SD 57109  
(605) 328-6800  
(800) 752-5863  
sanfordhealthplan.com

## Amendment IV to Your Minnesota Large & Small Group Health Benefits Policy

*This Amendment applies to your health Certificate of Coverage dated May 2003. Please review this document carefully and keep it with your Policy for future reference.*

### AMENDMENT #1 Section II. D. Enrollment Eligibility Requirements for Dependents

*This amendment applies to policies renewed on or after July 1, 2008. The provision titled, Section D: **Eligibility Requirements for Dependents** is hereby deleted and replaced with the following:*

#### D. Eligibility Requirements for Dependents

The following Dependents are eligible for coverage ("dependent coverage"):

A Spouse is always eligible for coverage, subject to the policy limitations.

To be eligible for coverage, a Dependent Child or Handicapped Dependent must meet all of the following requirements:

1. be unmarried; and
2. be under twenty-five (25) years old; or
3. be a child incapable of 1) self-sustaining employment by reason of developmental disability, mental illness or disorder, or physical disability and 2) chiefly dependent upon the Member for support and maintenance, provided proof of such incapacity and dependency is furnished to the Plan by the Member within *thirty-one (31)* days of the child's attainment of the limiting age and subsequently as may be required by the Plan but not more frequently than annually after the two-year period following the child's attainment of the limiting age.

### AMENDMENT #2 Section II. H. Special Enrollment for Individuals Losing Other Coverage

*This Amendment is effective April 1, 2009. Section H: The provision titled, Section H: **Special Enrollment for Individuals Losing Other Coverage** is hereby deleted and replaced with the following:*

#### H. Special Enrollment Rights

Special enrollment rights apply when an individual becomes an Employee's Dependent through marriage, birth, adoption, or placement for adoption, and also when an Employee's Dependent loses health coverage. In order to special enroll an Eligible Employee's new Dependent, The Plan will require the Eligible Employee to be enrolled also. Special enrollment rights extend to all benefit packages available under The Plan.

Any Eligible Group Member or Eligible Dependent who was not previously enrolled in the Plan and has lost prior coverage shall be able to enroll in the Plan within *thirty (30)* days after the date of exhaustion of the previous coverage provided that the following conditions are met:

1. **Waived Coverage.** The Eligible Group Member or Eligible Dependent was covered under a Group health plan or had health insurance coverage at the time coverage was initially (upon date of hire) offered to the Eligible Group Member or Eligible Dependent; or, after subsequently enrolling in other coverage, the Eligible Employee had an opportunity to enroll during the open enrollment period or at the time of a special enrollment period, but again chose not to enroll; and the Eligible Group Member stated in writing at such time that coverage under a Group health plan or health insurance coverage was the reason for declining enrollment (applicable only if the Group required such a statement at such time and provided the individual with notice of such requirement at such time).
2. **Exhausted COBRA.** The Eligible Group Member's or Eligible Dependent's previous coverage was under a COBRA or state continuation provision and the coverage under such provision was exhausted.
3. **Change in Employer Eligibility Rules or Employer Contributions.** The Participant's previous coverage was not under COBRA and either the coverage was terminated as a result of loss of eligibility for coverage, coverage was terminated for a class of similarly situated individuals, or employer contributions toward such coverage were terminated.
4. **A Move out of the Plan's Service Area.** The Participant's previous coverage was terminated because the Participant no longer resides, lives or works in the Plan's Service Area and the Plan does not provide coverage for that reason.

5. **Cessation of Dependent status.** The Participant seeking to special enroll in this Plan attains an age in excess of the maximum age for coverage of a Dependent Child under another plan.
6. **Reaching the Lifetime Maximum.** The Eligible Employee or Eligible Dependent's coverage was exhausted by reaching a lifetime limit on all benefits.

Requests for Special Enrollment must be received by The Plan not later than *thirty (30)* days after the date of exhaustion or termination of coverage.

#### **State Children's Health Insurance Program (SCHIP) Reauthorization Act of 2009**

The State Children's Health Insurance Program (SCHIP) Reauthorization Act of 2009 grants Special Enrollment Rights to Medicaid and SCHIP eligible individuals when any of the following conditions are met:

1. An Eligible Group Member or Eligible Dependent(s) lose coverage under a Medicaid or a SCHIP program due to loss in eligibility. Requests for special enrollment must be received by The Plan no later than *sixty (60)* days after the date of termination of Medicaid or SCHIP coverage.
2. An Eligible Group Member or Eligible Dependent(s) become eligible for state premium assistance under a Medicaid or a SCHIP program. Requests for special enrollment must be received by The Plan no later than *sixty (60)* days after the date of eligibility for state premium assistance is determined.

In order to special enroll an Eligible Employee's new Dependent, The Plan will require the Eligible Employee to be enrolled also. Special enrollment rights extend to all benefit packages available under The Plan.

<b>AMENDMENT #3</b>	<b>Part IX. Options After Coverage Is Ended</b>
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*The provision titled **Premium Payment** is hereby deleted and replaced with the following:*

**5. How much does COBRA continuation coverage cost?**

Generally, each qualified beneficiary may be required to pay the entire cost of continuation coverage. The amount a qualified beneficiary may be required to pay may not exceed 102 percent (or, in the case of an extension to continuation coverage due to a disability, 150 percent) of the cost to the group health plan (including both employer and employee contributions) for coverage of a similarly situated Plan participant or beneficiary who is not receiving continuation coverage. The required payment for each continuation coverage period for each option is described in the COBRA Notification Letter.

The Trade Act of 2002 created a new tax credit for certain individuals who become eligible for trade adjustment assistance and for certain retired employees who are receiving pension payments from the Pension Benefit Guaranty Corporation (PBGC) (eligible individuals). Call the Health Coverage Tax Credit Customer Contact Center toll-free at 1-866-628-4282 for more information about these new tax provisions.

The American Recovery and Reinvestment Act of 2009 gives "Assistance Eligible Individuals" the right to pay reduced COBRA premiums for periods of coverage beginning on or after February 17, 2009 and can last up to 9 months. To be considered an "Assistance Eligible Individual" and get reduced premiums you:

- a. MUST be eligible for continuation coverage at any time during the period from September 1, 2008 through December 31, 2009 and elect the coverage;
- b. MUST have a continuation coverage election opportunity related to an involuntary termination of employment that occurred at some time from September 1, 2008 through December 31, 2009;
- c. MUST NOT be eligible for Medicare; AND
- d. MUST NOT be eligible for coverage under any other group health plan, such as a plan sponsored by a successor employer or a spouse's employer.

Individuals who experienced a qualifying event as the result of an involuntary termination of employment at any time from September 1, 2008 through February 16, 2009 and were offered, but did not elect, continuation coverage OR who elected continuation coverage and subsequently discontinued it may have the right to an additional 60-day election period.

If, after you elect COBRA and while you are paying the reduced premium, you become eligible for other group health plan coverage or Medicare you MUST notify the plan in writing. If you do not, you may be subject to a tax penalty.

Electing the premium reduction disqualifies you for the Health Coverage Tax Credit. If you are eligible for the Health Coverage Tax Credit, which could be more valuable than the premium reduction, you will have received a notification from the IRS.

The amount of the premium reduction is recaptured for certain high income individuals. If the amount you earn for the year is more than \$125,000 (or \$250,000 for married couples filing a joint federal income tax return) all or part of the premium reduction may be recaptured by an increase in your income tax liability for the year. If you think that your income may exceed the amounts above, you may wish to consider waiving your right to the premium reduction. For more information, consult your tax preparer or visit the IRS webpage on The American Recovery and Reinvestment Act of 2009 at [www.irs.gov](http://www.irs.gov).

For general information regarding your plan's COBRA coverage or for specific information related to The Plan's administration of The American Recovery and Reinvestment Act of 2009 Premium Reduction or to notify the plan of your ineligibility to continue paying reduced premiums, contact Member Services toll free at 1-800-752-5863 or (605) 328-6800.

If you are denied treatment as an "Assistance Eligible Individual" you may have the right to have the denial reviewed. For more information regarding reviews or for general information about The American Recovery and Reinvestment Act of 2009 Premium Reduction go to [www.dol.gov/COBRA](http://www.dol.gov/COBRA) or call 1-866-444-EBSA (3272).

### **When and how must payment for COBRA continuation coverage be made?**

#### **First payment for continuation coverage**

If you elect continuation coverage, you do not have to send any payment with the COBRA Election Form. However, you must make your first payment no later than forty-five (45) days after the date of your election. (This is the date the Election Notice is post-marked, if mailed). If you do not make your first payment for continuation coverage in full no later than forty-five (45) days after the date of your election, you will lose all continuation coverage rights under the Plan. You are responsible for making sure that the amount of your first payment is correct. You may contact Sanford Health Plan's Enrollment Coordinator to confirm the correct amount of your first payment.

#### **Periodic payments for continuation of coverage**

After you make your first payment for continuation coverage, you will be required to make periodic payment for each subsequent coverage period. The amount due for each coverage period for each qualified beneficiary is shown in the COBRA Notification Letter. The periodic payments can be made on a monthly basis. Under the Plan, each of these periodic payments for continuation coverage is due on the first day of each month for that coverage period. If you make a periodic payment of on before the first day of each month, your coverage under the Plan will continue for that coverage period without any break. The Plan will not send periodic notices of payments due for these coverage periods.

#### **Grace Periods for periodic payments**

Although periodic payments are due on the first day of each month, you will be given a grace period of thirty (30) days after the first day of the coverage period to make each periodic payment. Your continuation coverage will be provided for each coverage period as long as payment for that coverage period is made before the end of the grace period for that payment. However, if you pay a periodic payment later than the first day of the coverage period to which it applies, but before the end of the grace period for the coverage period, your coverage under the Plan will be suspended as of the first day of the coverage period and then retroactively reinstated (going back to the first day of the coverage period) when the periodic payment is received. This means that any claims you submit for benefits while your coverage is suspended may be denied and may have to be resubmitted once your coverage is reinstated.

If you fail to make a periodic payment before the end of the grace period for that coverage period, you will lose all rights to continuation coverage under the Plan.

Your first payment and all periodic payments for continuation coverage should be sent to: Sanford Health Plan, PO Box 91110, Sioux Falls, SD 57109-1110.

#### **For more information**

More information about continuation coverage and your rights under the Plan is available from the Plan by calling Member Services toll free at 1-800-752-5863 or (605) 328-6800.

For more information about your rights under COBRA, contact the U.S. Department of Labor's Employee Benefits Security Administration (EBSA) by calling the toll free Employee and Employer Hotline at 1-866-444-EBSA (3272) or visit the EBSA website at [www.dol.gov/ebsa](http://www.dol.gov/ebsa).

**Keep your Plan informed of Address Changes**

In order to protect you and your family's rights, you should keep the Plan informed of any changes in your address and the addresses of family members. You should also keep a copy, for your records, of any notices you send to the Plan.

**All other terms and provisions of your benefits policy, including any amendments we may have previously issued, remain unaltered and in effect.**