FRESNO UNIFIED SCHOOL DISTRICT

EMPLOYEE HEALTH CARE PLAN

PLAN BOOKLET

COVERAGE INTERRUPTION SECTION

Page numbers referenced in this document reflect page numbers in the Plan Booklet

TERMINATION OF COVERAGE

EMPLOYEE COVERAGE TERMINATION

Coverage under the Plan shall terminate for an Employee or Retiree on the earliest of the following dates:

(a) the date the Employee or Retiree fails to pay any required contributions when due;

(b) the date the Plan terminates;

(c) the date the person is no longer an eligible Employee because his or her coverage terminates prior to retirement eligibility. However, in this instance, coverage will continue to the end of the Plan Year (June 30) provided the Employee works for the District until the end of the school year. For Employees who do not work for the District until the end of the school year, the date coverage terminates will be determined on a Prorated basis; as determined by District's Board Policy or, if applicable, by a negotiated bargaining agreement.

(d) the date the Employee becomes a full-time member of the armed forces of any country for more than one (1) month in any Calendar Year.

DEPENDENT COVERAGE TERMINATION

A Dependent's coverage under the Plan will terminate upon the earliest of the following dates:

(a) the date the Employee or Retiree ceases to make any required contributions for Dependent coverage;

(b) the date the Employee or Retiree ceases to be covered under the Plan, except that Dependents of an Employee who is recalled to active duty as a member of the National Guard or military reserves shall be considered a Dependent for purposes of the Plan;

(c) the date the Dependent ceases to meet the eligibility requirements of the Plan;

(d) the date the Plan ends;

(e) the date the Dependent becomes a full-time member of the armed forces of any country for more than one (1) month in any Calendar Year.

RESCISSION OF COVERAGE

Beginning on July 1, 2011, coverage under the Plan can only be "rescinded," which means that the coverage can be cancelled retroactively, when a participant has committed fraud or has intentionally misrepresented a material fact (see the definition of "Rescission" on page 15. When coverage is cancelled retroactively it means that coverage will be cancelled back to the first day of enrollment in the Plan.

Enrolling an individual in the Plan who you know is not an "eligible Dependent" under the Plan is an example of fraud and an intentional misrepresentation of a material fact. Coverage will be retroactively cancelled back to the first day the individual was fraudulently enrolled in the Plan, and you will be responsible for repaying the Plan for any health costs incurred on the individual's behalf. In addition, when coverage is cancelled retroactively because of fraud or intentional misrepresentation the individual will not have the right to COBRA continuation.

If the Plan cancels coverage retroactively it will provide 30 calendar days advance written notice explaining the reasons for the retroactive cancellation of coverage, information regarding appealing the retroactive cancellation of coverage, and the contact information of the individual available to answer your questions. You will have the right to appeal the rescission of coverage (see "Claims Procedures" beginning on page 85).

The Plan can still cancel coverage prospectively, or cancel coverage retroactively if the cancellation is based on the individual's failure to timely pay required contributions (if you fail to pay COBRA contributions, for example). If coverage is cancelled prospectively, or for failure to timely pay required contributions, the Plan is not required to provide you with 30 calendar days advance written notice.