

**FRESNO UNIFIED SCHOOL DISTRICT  
EMPLOYEE HEALTH CARE PLAN**

**PLAN BOOKLET**

**IF YOU LEAVE SECTION**

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

## **NOTICE OF RIGHT TO RECEIVE A CERTIFICATE OF CREDITABLE COVERAGE**

Under the Health Insurance Portability and Accountability Act of 1996, an individual has the right to receive a certificate of prior health coverage, called a "certificate of creditable coverage" or "certificate of group health plan coverage," from the Plan Sponsor or its delegate. If Plan coverage or COBRA continuation coverage terminates, the Plan Sponsor will automatically provide a certificate of creditable coverage. The certificate is provided at no charge and will be mailed to the person at the most current address on file. A certificate of creditable coverage will also be provided on request, in accordance with the law (i.e., a request can be made at any time while coverage is in effect and within twenty-four (24) months after termination of coverage). Written procedures for requesting and receiving certificates of creditable coverage are available from the Benefit Administrator.

## **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.

**CONTINUATION OF BENEFITS**

**FAMILY AND MEDICAL LEAVE ACT (FMLA)**

Under the Family and Medical Leave Act of 1993 (FMLA), an active Employee may be entitled to family or medical leave.

1. If an Employee is eligible to take and elects FMLA leave, coverage under this Plan will continue until the earlier of:
  - a. The date the Employee notifies the District’s Benefit Department that he or she does not intend to return to work at the end of the FMLA leave; or
  - b. The end of the FMLA leave.
2. Contributions will continue to be paid by the District on the Employee’s behalf while he or she is on FMLA leave.
3. The Employee must contact the District to determine his or her eligibility for FMLA leave.

### **CONTINUATION OF COVERAGE – TOTAL DISABILITY**

Loss of eligibility under this Plan will immediately terminate all benefits. However, if an Employee or a Dependent were totally Disabled on the date coverage terminated, and if expenses are thereafter incurred directly related to the Injury or Sickness causing the disability, then benefits will be continued with respect to such expenses until the first of the following events occur:

1. On the 101<sup>st</sup> day following the month of the date of disability; or
2. The date the maximum amount of benefits has been paid; or
3. The date the Employee or the Dependent ceases to be totally Disabled; or
4. The date coverage for the Employee or the Dependent becomes effective under any replacement policy without limitations as to the disabling condition.

Benefits under this provision will not be payable with respect to any other Injuries or Sicknesses.

### **CONTINUATION OF COVERAGE UNDER FEDERAL LAW – COBRA**

As required by a federal law called the Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA), the Plan offers Employee's and each of your eligible Dependents the opportunity for a temporary extension of health coverage at group rates in certain instances when Plan coverage would otherwise end. Qualified beneficiaries must pay for this continuation coverage (called "COBRA coverage") by sending premiums directly to the District's Benefit Department. (See Section 10 and 11 beginning on page 75 regarding the Cost of COBRA Coverage and Payment Rules for COBRA Coverage.) **Both you and your spouse or Domestic Partner should take the time to read this section carefully.**

#### **1. Benefits Available Under COBRA Coverage**

Those of you who are entitled to choose COBRA (i.e., you and separately your spouse or Domestic Partner and eligible Dependents) are known under COBRA as "qualified beneficiaries."

COBRA coverage is the same coverage and benefits you had immediately prior to becoming eligible for COBRA. It is the same Plan provided to other Plan Participants who are not receiving COBRA coverage. Each qualified beneficiary who elects COBRA coverage will have the same rights under the Plan as other Plan Participants, including open enrollment and special enrollment rights. If the Plan changes its benefits levels or health coverage for all Participants, your health coverage will be changed in the same manner. COBRA qualified beneficiaries are not, however, considered Plan "Participants" during COBRA coverage.

When you initially enroll in COBRA Coverage, you will be offered a choice between two levels of coverage: (1) a Core Plan of Benefits, which consists of Medical and Prescription Drug coverage; and (2) a Non-Core Plan of Benefits, which consists of Medical, Prescription Drug, Vision and Dental coverage. Each qualified beneficiary need not elect the same level of coverage. You are not eligible to continue benefits under COBRA if you were not eligible prior to the Qualifying Event.

#### **2. How COBRA Coverage Becomes Available**

##### **a. For an Employee**

If you are an Employee, you have a right to choose COBRA coverage for yourself if you lose your coverage under the Plan due to any of the following "Qualifying Events."

- Your hours of employment are reduced; or
- Your employment ends for any reason (such as layoff or retirement) other than your gross misconduct.

**b. *For the Spouse or Domestic Partner of an Employee***

If you are the spouse or Domestic Partner of an Employee, you have a right to choose COBRA coverage for yourself if you lose your coverage under the Plan due to any of the following "Qualifying Events."

- The Employee dies;
- The Employee's hours of employment are reduced;
- The Employee's employment ends for any reason other than his or her gross misconduct;
- You become divorced or legally separated from the Employee; or
- Your Domestic Partnership with the Employee is terminated, dissolved, or nullified.

**c. *For the Dependent Children of an Employee***

Your Dependent children have the right to choose COBRA coverage for themselves if they lose coverage under the Plan due to any of the following "Qualifying Events:"

- The parent-Employee dies;
- The parent-Employee's hours of employment are reduced;
- The parent-Employee's employment ends for any reason other than his or her gross misconduct;
- The parents become divorced or legally separated;
- The parents' Domestic Partnership is terminated, dissolved, or nullified); or
- The child stops being eligible for Plan coverage because the child no longer qualifies as a "Dependent" as defined by the Plan.

**d. *For Retirees in the Event the District files for Bankruptcy***

If you are a Retiree covered under this Plan, you will have a right to choose COBRA coverage if your Plan coverage is lost on account of the District filing for bankruptcy under Title 11 of the United States Code. Your spouse or Domestic Partner, and Dependent children will also have the right to choose COBRA coverage if the bankruptcy results in their loss of Plan coverage.

**3. *Notifying the District's Benefit Department of a Qualifying Event***

The Plan will offer COBRA coverage to each qualified beneficiary only after the District's Benefit Department has been notified that a Qualifying Event has occurred.

**YOU MUST NOTIFY THE DISTRICT'S BENEFIT DEPARTMENT OF CERTAIN QUALIFYING EVENTS:**

You or a Dependent (or a representative of either) must notify the District's Benefit Department by calling (559) 457-3520 within 60 days after the date Plan coverage is lost due to a Qualifying Event that is the result of the Employee's divorce or legal separation, the termination, dissolution or nullification of the Employee's Domestic Partnership, or a child's loss of eligibility under the Plan as a Dependent child. When you call, you may be asked to provide some or all of the following information: (1) the Employee's name; (2) the Employee's social security number; (3) the name(s) and social security number(s) of all qualified beneficiaries; (4) relevant mailing addresses; and (5) the date and nature of the Qualifying Event. You may be required to provide supporting documentation (e.g., a divorce decree) to the District's Benefit Department.

COBRA coverage will be denied if you fail to give notice to the District's Benefit Department of a divorce, legal separation, termination or dissolution of a Domestic Partnership or child's loss of eligibility as a Dependent child under the Plan within 60 days after the date Plan coverage is lost due to one of these Qualifying Events.

**4. Electing COBRA Coverage and Notice of Denial of COBRA Coverage**

After the District's Benefit Department is timely notified of a Qualifying Event, it will send each qualified beneficiary a "Notice of Right to Continue Health Coverage under Federal Law (COBRA) and Election Form" (the "Election Form") within 14 days of the date Plan coverage ends due to a Qualifying Event.

If you would like to elect COBRA coverage, you must return the completed and signed Election Form to the District's Benefit Department within 60 days after the later of: (1) the date Plan coverage ends due to a Qualifying Event; or (2) the date the District's Benefit Department mailed you an Election Form. An election is considered to be made on the date you send the completed and signed Election Form to the District's Benefit Department.

Each qualified beneficiary has a separate right to elect COBRA coverage. For example, the Employee's spouse or Domestic Partner may elect COBRA coverage, even if the Employee does not. COBRA coverage may be elected for only one, several, or for all Dependent children. Employees may elect COBRA coverage on behalf of their spouses or Domestic Partners, and parents may elect COBRA coverage on behalf of their children. The Employee or the Employee's spouse or Domestic Partner can elect COBRA coverage on behalf of all of the qualified beneficiaries.

If you reject COBRA coverage before the date the Election Form is due, you may change your mind as long as you send the completed and signed Election Form to the District's Benefit Department before the due date. However, if you change your mind after first rejecting COBRA coverage, your COBRA coverage will begin on the date you send your completed and signed Election Form to the District's Benefit Department.

**Please note that the Plan is required by law to make a complete disclosure of your COBRA eligibility and election status to any health care provider, such as a Doctor, Hospital, or pharmacy, that requests information about your coverage during such a period.**

If the District's Benefit Department receives a notice relating to a Qualifying Event or disability determination regarding an Employee, Dependent or other person and determines that such person is not entitled to COBRA coverage, the District's Benefit Department will, within 14 days of receiving such notice, send such person a Notice of Denial of COBRA Coverage containing the reason for such denial.

**IMPORTANT:**

In considering whether to elect COBRA coverage, you should be aware that a failure to continue your group health coverage will affect your future rights under federal law. First, pre-existing condition exclusions in other group health plans may apply if you have more than a 63 day gap in health coverage. Election of COBRA coverage may help you avoid such a 63 day gap. Second, you will lose the guaranteed right to purchase individual health insurance policies that do not impose such preexisting condition exclusions if you do not receive COBRA coverage for the maximum time available to you. Finally, you should take into account that you have special enrollment rights under federal law. You have the right to request special enrollment in another group health plan, if available, for which you are otherwise eligible (such as a plan sponsored by your spouse's or Domestic Partner's employer) within 30 days after your group health coverage ends because of a Qualifying Event. You will also have the same special enrollment right at the end of COBRA coverage.

**5. How Long COBRA Coverage Lasts**

COBRA coverage is a temporary continuation of coverage.

- When the Qualifying Event is the Employee's death, divorce or legal separation, or the loss of Dependent child status under the terms of the Plan, COBRA coverage lasts for up to a total of 36 months.
- When the Employee becomes entitled to Medicare benefits less than 18 months before the Qualifying Event and the Qualifying Event is the end of employment or reduction of the Employee's hours of employment, COBRA coverage for qualified beneficiaries other than the Employee lasts up until 36 months after the date of the Employee's Medicare entitlement. For example, if an Employee becomes entitled to Medicare 8 months before the date on which his or her employment terminates, COBRA coverage for his or her Dependent spouse or Domestic Partner and children can last up to 36 months after the date of Medicare entitlement, which is equal to 28 months after the date of the Qualifying Event (36 months minus 8 months).
- When the Qualifying Event is the end of employment or reduction of the Employee's hours of employment, COBRA coverage generally lasts for only up to a total of 18 months. There are two ways in which this 18-month period of COBRA coverage can be extended (see Section 6 below).

**6. Extending an 18-Month Period of COBRA Coverage**

**a. *Disability Extension of 18-Month Period of COBRA Coverage***

An 11-month extension of COBRA coverage (for a total maximum of 29 months) may be available if the Social Security Administration (SSA) determines any qualified beneficiary to be Disabled. The disability must have started at any time before the 60<sup>th</sup> day of COBRA coverage and must last at least until the end of the 18-month COBRA coverage period. Each qualified beneficiary who has elected COBRA coverage will be eligible for the disability extension if one of them qualifies. COBRA premiums are higher for the extra 11 months of coverage.

To obtain this extension, you must notify the District's Benefit Department by calling (559) 457-3520 within 60 days after the date of the SSA disability determination (or if the qualified beneficiary is already Disabled, within 60 days after the date Plan coverage is lost due to the Qualifying Event), but before the end of the initial 18-month period of COBRA coverage. When you call, you may be asked to provide some or all of the following information: (1) the Employee's name; (2) the Employee's social security number; (3) the name(s) and social security number(s) of all qualified beneficiaries; (4) relevant mailing addresses; and (5) the date of the SSA disability determination. In addition, you will be required to provide the District's Benefit Department with a copy of the SSA determination letter.

The disability extension will terminate early if the SSA determines that the individual is no longer Disabled before the end of the 11-month extension. You or your Dependent must notify the District's Benefit Department by calling (559) 457-3520 within 30 days of any such final determination that the individual is no longer Disabled.

**b. *Second Qualifying Event Extension of 18-Month Period of COBRA Coverage***

An 18-month period of COBRA coverage may be extended for a period of up to 36 months for an Employee's spouse, Domestic Partner or Dependent child, if a second Qualifying Event occurs during the first 18-month period. This extension may be available to the spouse, Domestic Partner and any Dependent child receiving COBRA coverage if the Employee or former Employee dies, gets divorced or legally separated, the Employee's Domestic Partnership is terminated, dissolved, or nullified, or if the child stops being eligible under the Plan as a Dependent child, **but only if the second event would have caused the spouse, Domestic Partner or child to lose coverage under the Plan had the first Qualifying Event not occurred.** For example, if an Employee's spouse or Domestic Partner is on COBRA coverage for 18 months due to the termination of the Employee's employment, and during the 18-month period, the spouse or Domestic Partner and the former Employee get divorced, the spouse or Domestic Partner will be eligible to maintain his or her COBRA coverage for up to 36 months from the date coverage ended due to the first Qualifying Event. However, in no event will COBRA coverage extend beyond 36 months from the date coverage ends due to the first Qualifying Event, and it may end before the 18, or 36-month period expires, as explained under "When COBRA Coverage Terminates" (see Section 8 below).

In order to obtain an extension because of a second Qualifying Event, you must notify the District's Benefit Department by calling (559) 457-3520 within 60 days following the later of the date of the second Qualifying Event or the termination of the initial 18-month COBRA coverage period. When you call, you may be asked to provide some or all of the following information: (1) the Employee's name; (2) the Employee's social security number; (3) the name(s) and social security number(s) of all qualified beneficiaries; (4) relevant mailing addresses; and (5) the date and nature of the Qualifying Event. The District's Benefit Department may require that supporting documentation (such as a divorce decree) be submitted.

**7. *When COBRA Coverage Begins***

COBRA coverage begins on the date Plan coverage ends due to a Qualifying Event. If you received extended Plan coverage due to Total Disability, as described on page 104, your COBRA coverage will begin on the first day of the month after the end of such period of extended coverage. In other words, months of extended Plan coverage due to Total Disability will not count against or reduce the 18-, 29-, or 36-month maximum COBRA coverage period.

**8. *When COBRA Coverage Terminates***

COBRA coverage will end before the expiration of the 18-, 29-, or 36-month maximum COBRA coverage period if:

- The District's Benefit Department does not receive timely payment of the required COBRA premium;
- The Plan no longer provides group health coverage;
- A qualified beneficiary becomes covered under another group health plan that does not impose any pre-existing condition exclusion for a pre-existing condition of a qualified beneficiary;

- The 11-month disability extension terminates early because the SSA determines that the Disabled qualified beneficiary is no longer Disabled;
- A qualified beneficiary becomes entitled to Medicare benefits (under Part A, Part B, or both) after electing COBRA coverage (COBRA coverage for family members not covered by Medicare will not be affected), or
- The District ceases to make contributions to the Plan and provides other group health plan coverage for its Employees.

COBRA coverage may also be terminated for any of the reasons the Plan would terminate coverage of a Participant not receiving COBRA coverage (such as fraud).

Termination of COBRA coverage will be effective on the first day of the month following the month in which any of the above-listed events occur. Once COBRA coverage ends for any reason, it will not be reinstated. Furthermore, any medical expenses incurred after the COBRA coverage termination date will not be paid by the Plan.

If your COBRA coverage is terminated early, the District's Benefit Department will send you a Notice of Early Termination of COBRA Coverage as soon as reasonably practicable after it determines that your COBRA coverage will end. This notice will contain the reason for such termination and the termination date.

**9. Adding Dependents to COBRA Coverage**

You may add a spouse, Domestic Partner or a Dependent child who is newly acquired during a period of COBRA coverage for the balance of your COBRA coverage period. To enroll your new eligible Dependent for COBRA coverage, you must submit written proof of their dependency to the District's Benefit Department at the address shown on page 104 within 30 days of the date the Dependent(s) was acquired. There may be an increase in your COBRA premium to cover the new Dependent.

A child born to, or placed for adoption with, the Employee while receiving COBRA coverage will become a qualified beneficiary in his or her own right. Such child will have the right, for example, to elect a different medical plan, if available, than the qualified beneficiary parent during the next Open Enrollment period and will be eligible for extended COBRA coverage if a second Qualifying Event or disability occurs during an initial 18-month maximum COBRA coverage period.

**10. The Cost of COBRA Coverage**

Each qualified beneficiary must pay the entire cost of COBRA coverage, which may not exceed 102 percent (or, in the case of an extension of COBRA 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 who is not receiving COBRA coverage. Neither the District nor the Plan will pay for any part of your COBRA coverage.

The cost of COBRA coverage is determined once a year. You should contact the District's Benefit Department to obtain current rates.

**11. Payment Rules for COBRA Coverage**

**a. First Payment for COBRA Coverage**

If you elect COBRA coverage, you do not have to send any payment with the Election Form. However, you must make your first payment for COBRA coverage not later than 45 days after the date of your election. (This is the date your completed and signed Election Form is post-marked, if mailed.) If you do not make your first payment for COBRA coverage in full within this 45-day period, you will lose all COBRA coverage rights under the Plan.

You are responsible for making sure that the amount of your first payment is correct and includes premiums due for all calendar months between the date Plan coverage terminated and the calendar month ending immediately before the initial premium is paid. You may contact the District's Benefits Department to confirm the correct amount of your first payment. COBRA coverage will not be effective until your payment is received.

**b. *Periodic Payments for COBRA Coverage***

After you make your first payment for COBRA coverage, you will be required to make periodic payments for each subsequent coverage period. The amount due for each coverage period for each qualified beneficiary will be provided to you with the Election Form. The periodic payments must be made on a monthly basis and are due on the tenth (10<sup>th</sup>) day of the month of coverage. For example, the payment for COBRA coverage for the month of January is due on January 10<sup>th</sup>. If you make a periodic payment on or before the first day of the coverage period to which it applies, your COBRA coverage under the Plan will continue for that coverage period without any break. **The District's Benefit Department will not send monthly bills or warning notices of payments due for these coverage periods. It is the responsibility of you or your Dependents to send the required payments when due.**

**c. *Grace Period for Periodic Payments***

Although periodic payments are due on the dates shown above, you will be given a grace period of 31 days after the first day of the coverage period to make each periodic payment. Your COBRA 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. For example, you have until January 31<sup>st</sup> to pay for coverage effective January 1<sup>st</sup>. **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 COBRA coverage under the Plan.**

**d. *Where Should I Send My Payments?***

All payments for COBRA coverage must be sent to the District's Benefit Department at the address shown in this Plan Booklet on page 104.

**12. *If You Have Questions***

Questions concerning the Plan or your COBRA coverage rights can be answered by the District's Benefit Department at (559) 457-3520.

For more information about your rights under COBRA, the Health Insurance Portability and Accountability Act (HIPAA), and other laws affecting group health plans, contact the U.S. Department of Labor's Employee Benefits Security Administration (EBSA) in your area or visit the EBSA website at [www.dol.gov/ebsa](http://www.dol.gov/ebsa). (Addresses and phone numbers of Regional and District EBSA Offices are available through EBSA's website.)

**13. *Keep the District's Benefit Department Informed of Any Changes***

In order to protect you and your family's rights, you must keep the District's Benefit Department informed of any change in your address and the addresses of family members. Also, you must inform the District's Benefit Department of any change in marital or Domestic Partnership status. You should also keep a copy, for your records, of any notices you send to the District's Benefit Department.