

RIVER VALLEY COUNSELING CENTER, INC.

POLICY/PROCEDURE # HR50.01

SUBJECT: GROUP AND DENTAL INSURANCE

DATE REVIEWED/REVISED: 2/95, 9/98, 5/16, 3/19, 5/20

POLICY STATEMENT:

RVCC provides group health and dental insurance to employees who are eligible and wish to be covered.

Coverage Options

Eligible employees may elect individual coverage (employee only), family coverage (employee and eligible dependents) or employee & child(ren) coverage (employee only and child/children) under one of these plans. An eligible employee may elect to have health coverage only or dental coverage only; it is not required that participation be elected in both types of coverage.

The type of coverage available to eligible employees and their qualified dependents under each plan and bi-weekly cost sharing through payroll deduction is fully described in separate literature available in the Human Resources Department.

Eligibility

Each employee scheduled to work 21 or more billable/hours per week is eligible for medical and dental coverage. Employees working less than 30 hours (Full-Time) or 21 FFS billable hours per week or temporary employees are not eligible for coverage. Fee for Service (FFS) employees are eligible for medical coverage in accordance with the productivity standard set forth in the FFS Policy #HR20.03.

To enroll as a dependent, you must meet the Group's own eligibility rules and be in one of the following categories:

- The legal (married) spouse of the Employee, if he or she is not eligible for personal insurance under a medical plan from their employer.
- The divorced spouse of the Employee, if judgment of divorce so provides. A copy of such judgment may be required by the insurance carrier
- A disabled Dependent, as described in Explanation of Coverage booklet.

Individuals in the following Dependent categories are eligible for coverage until they turn age 26 or 2 years after losing Dependent status for federal tax purposes, whichever comes first.

- A child of the Employee or the Employee's spouse who meets **all** of the criteria below. The child must be:
 - Unmarried.
 - Qualified as a Dependent of the Employee or the Employee's spouse for federal tax purposes.
 - Living with the Employee or the Employee's spouse.

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- Less than 26 years old.
- An adopted child of the Employee or the Employee's spouse who meets all of the requirements in the third bullet and as described in the Explanation of Coverage booklet.
- A child for whom the Employee has been named legal guardian and who meets all of the requirements in the fourth bullet. The Employee must enroll the child as a Dependent within 31 days after being named legal guardian by the court. Children under legal guardianship will normally be covered from the date the Employee was named legal guardian by the court.
- A child of an eligible Dependent who meets ***all*** of the criteria listed in the third bullet until the parent is no longer a Dependent.
- An unmarried child of the Employee who is under 19 years old and for whom the Employee is required by a Qualified Medical Child Support Order to provide health coverage.
- A student Dependent, as described in the Explanation of Coverage booklet.

Effective Date of Coverage

1. Coverage will be effective the first day of the month following one complete month of employment, provided the employee maintains Full-Time Status with 30 hours per week.
2. Should an employee's scheduled hours increase to 30 hours per week, the first of the month following will become the effective date of coverage, provided the employee has completed one month of employment and there has been no break in service.
3. If an employee's scheduled hours change to 30 hours per week but they have not completed one month of continuous employment, their coverage will be effective on the first of the month once one complete month is reached, provided there has been no break in service.

D. Employee Cost Sharing

1. Each employee scheduled to work 30 or more hours per week that has either individual, employee & child(ren), or family coverage will make a bi-weekly payment toward RVCC's premium cost for this coverage through payroll deduction.
2. Information concerning these insurance costs may be obtained from the Human

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Resources Department.

E. Open Enrollment

The Federal Health Maintenance Organization Act allows employees to change their existing coverage and switch to another coverage option only once a year during a specified open enrollment period. July 1st of each year will be the effective date for any such change, provided notification is received in the Human Resources Department prior to June 15th.

F. Termination of Coverage

1. All coverage is discontinued on the day on which:
 - a. The covered individual's employment at RVCC terminates.
 - b. The covered employee or a dependent no longer fulfills the eligibility criteria for participation.
 - c. The employee fails to make the required payments for this coverage.
2. An employee who is on an approved Family Medical leave of absence in accordance with RVCC FMLA policy will continued to be covered for a period of 12 weeks beyond the last day of work. The employee then will have the option of continuing coverage under COBRA.
3. An employee on an approved Personal Leave of Absence, not covered under RVCC's FMLA policy will be responsible for payment of the entire cost of the monthly premium (or part thereof) for group health and dental insurance, commencing from the first day of absence and continuing until the employee's return to work.
4. Under no circumstances will an employee's coverage extend beyond a twelve (12) week period, except under the provisions of COBRA, as detailed below.

G. COBRA Rights

With the enactment of the Consolidated Omnibus Budget Reconciliation Act (COBRA), participating employees have the right to continue coverage under the group health insurance plans offered by RVCC if they retire, resign, are laid off, lose group coverage because of a reduction in hours of employment or terminate employment for reasons other than gross

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misconduct. The employee's spouse and dependents are entitled to continued coverage upon the employee's death, divorce or legal separation, or termination of a spouse's employment or reduction in a spouse's hours of employment so that he/she is ineligible for group health

coverage. In addition, dependent children become eligible for continued coverage when they reach the maximum age for coverage under the group health insurances.

Continuation of coverage is not automatic: if an employee does not choose continuation coverage, his/her group health insurance coverage will end on the day of the month on which the qualifying event occurred.

Under the law, the employee or a family member has the responsibility to inform the Human Resources Department of a divorce, legal separation, or a child losing dependent status under the group health plans within 60 days of the later of the date of the qualifying event or the date on which coverage would be lost because of the qualifying event.

This law requires that an employee be afforded the opportunity to maintain continuation coverage for 36 months unless group health coverage is lost because of a termination of employment for reasons other than gross misconduct or a reduction in hours. In that case, the required continuation coverage period is 18 months. The 18-month period may be extended to 36 months if other events (for example, divorce, legal separation, or death occur during the initial 18-month period. The 18-month period may be extended up to 11 additional months if the employee, or their dependents, were disabled as of the date of the qualifying event, as provided under Title II or Title XVI of the Social Security Act, and the Human Resources Department is notified of that determination before the expiration of the initial 18-month period. Notice of any final determination that an individual is no longer disabled also must be provided.

An employee does not have to show that he or she is insurable to choose continuation coverage, but under the law they must pay the full cost of the premium for this coverage plus a 2% administrative fee.

Actual cost information and full details about COBRA will be provided to an employee by the Human Resources Department if they should become eligible for such continued coverage.

A notice concerning COBRA continuation coverage is provided to all enrollee's within 90 days of enrollment.

H. Conversion

Any person who is no longer eligible for coverage after exhausting their COBRA privilege may convert his or her coverage to an individual (non-group) policy with the insurance company,

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provided the insurer offers such continuation and application is made within 30 days after the termination of the group coverage.

II. HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY ACT OF 1996

The Health Insurance Portability and Accountability Act of 1996 (HIPAA) imposes requirements on employer health plans and health insurers that are intended to increase the continuity of coverage from one plan to another. One of the law's main provisions limits the circumstances under which coverage may be excluded for medical conditions present before an individual enrolls in a group insurance plan. These pre-existing condition exclusions may not be imposed for more than 12 months (18 months for a late enrollee). HIPAA reduces any 12-month or 18-month exclusion period by an individual's prior health coverage participation.

HIPAA requires that "automatic" certification be provided when an individual case is to be covered under a group medical insurance plan, regardless of the reason. Certification must be provided to a current or former participant in a RVCC group medical plan for any of the following reasons:

1. Termination of employment
2. Reduction in scheduled work hours below 20
3. Loss of coverage due to a COBRA qualifying event
4. Participation is discontinued during a leave of absence, even though coverage under the plan is still available
5. COBRA continuation ceases
6. Upon request of or on behalf of an individual (the participant, his/her spouse, or any dependent) not later than 24 months after coverage ceased

The Human Resources Department will prepare the automatic certification for affected current plan participants within required time frames. Requests from former participants for proof of their prior benefits coverage at RVCC will be responded to individually as they are received.

Under HIPAA, subsequent employers and insurers also are entitled to request detailed information about an individual's benefits coverage from River Valley Counseling Center, Inc. Such requests will be handled by the Human Resources Department on an individual basis.

Any questions about the group medical insurance plans or the laws pertaining to such plans should be referred to the Human Resources Department.