



Cypress-Fairbanks Independent School District

Insurance Department

MEDICAL INSURANCE ENROLLMENT PROCEDURES & INFORMATION

Cypress-Fairbanks Independent School District provides a group medical insurance plan which allows several options from which employees may choose. The district provides at no cost to all full-time and part-time employees a Basic Life Insurance Plan (\$15,000 Life; \$15,000 Accidental Death and Dismemberment). It provides to all full-time employees, at no cost, a Hospital Indemnity Plan. In lieu of the Hospital Indemnity Plan, employees may select participation in one of two major medical insurance plans, the CFISD Choice Fund HRA Plan (with the Cigna OAP Provider Network) or the CFISD KelseyCare HMO. The district pays a portion of the cost for the participant's coverage; the employee pays the balance of the employee coverage plus any additional dependent coverage through payroll deduction. Below are instructions for enrollment.

Enrollment Deadline: ALL NEW EMPLOYEE ENROLLMENTS MUST BE COMPLETED THROUGH THE *benefitsCONNECT* ON-LINE ENROLLMENT SYSTEM WITHIN **30 DAYS OF THE FIRST DAY OF PAID EMPLOYMENT.**

Paperless On-Line Enrollment Required For all Newly Hired Employees

All new employees are required to enroll for benefits on-line. Although all district employees will have access to their benefit information via Internet 24 hours a day, 7 days a week, **newly hired employees will only have enrollment eligibility for their first 31 days of employment.**

Current procedures for enrollment and changes are below. Deadlines and eligibility periods are given as the deadlines for employees going on-line in the *benefitsCONNECT* system and enrolling in the benefit plans they select. For plan designs, enrollment forms, agent contact information, and links to insurance companies and their provider networks go to:

Cypress-Fairbanks I.S.D. Website
www.cfisd.net
Departments
Insurance
Open - "Your Benefit Station" website

If you do not have Internet access you may come by the Payroll Department at 10300 Jones Road, Suite 328 and use their available kiosk machine for your enrollment. Their office hours are 7:30 – 4:30, Monday through Friday. Additionally, kiosk computers have been installed in every district facility for use by all employees. Ask your building and/or department secretary where they are located.

Accessing *benefitsCONNECT* On-Line Enrollment System

Review the benefit plan options and know your plan selections before accessing the *benefitsCONNECT* system. Review the "Employee Guide for On-Line Benefit Enrollment" (on the Insurance Department webpage at www.cfisd.net at 2009-2010 New Hires) before attempting to log in.

To access the system type in the district's web address: www.cfisd.net. From the CFISD home page, go to Departments and select Insurance from the drop down menu. On the Insurance Department's web page you can access *benefitsCONNECT* by clicking on the *benefitsCONNECT* icon.

Your Initial Login name: Your **Username** is the first six (6) letters of your last name, followed by the first letter of your first name, followed by the last four (4) digits of your social security number. If your last name does not contain six letters, example, John Doe, your **Username** is doej + the last 4 digits of your social security number. (See page 4 of the Employee On-Line Enrollment Guide.)

Your initial **Password** is your social security number, with no dashes or spaces. With your first successful login to *benefitsCONNECT* you will be instructed to change your password.

To enroll in the benefits plans **you have already chosen to participate in** you will need:

- The names of each plan you wish to enroll in.
- For all dependents that you wish to enroll, you will need their names, social security numbers and dates of birth.
- For any life insurance designations you wish to make for Basic Life, Supplemental Life and/or Disability Insurance you will need your beneficiaries' names, social security numbers, addresses and phone numbers.

Effective Date of Coverage: The effective date of coverage for employees' medical insurance is the first day of the month following their first day of paid employment. If the on-line enrollment process is not completed within the enrollment deadline period, employees will be denied a plan selection. Full-time employees will be "defaulted" into the Hospital Indemnity Plan if their enrollment is not completed within 30 days of their first day of paid employment. Their next opportunity to enroll will be during the district's Annual Renewal Period, in July of each year, for a September 1 effective date.

Part-Time Employees: Part-time employees who work at least fifteen (15) hours a week are eligible to participate in the CFISD Choice Fund HRA Plan or the CFISD KelseyCare HMO Plan. Part-time employees are not eligible for the Hospital Indemnity Plan. The district pays a portion of the cost for the participant's coverage; the employee pays the balance of the employee coverage plus any additional dependent coverage through payroll deduction. Part-time employees are also eligible to participate in the dental, supplemental life, disability and cancer insurance plans. All benefit premiums must be collectible from an employee's usual income. **If an employee's gross income is not sufficient to pay the cost of the benefit plans that have been selected, the benefits will be reduced or canceled. Income MUST be sufficient to cover all premiums through payroll deductions.**

Termination of Insurance Coverage upon Termination of Employment: All benefit insurance plans the employee is enrolled in will be terminated at the end of the month following the termination of employment. i.e. If an employee terminates employment on November 13, all coverage will terminate on November 30.

Texas Legislature H.B 973 of 2007 entitles an employee of the district who resigns or retires after the last day of the instructional year to continue their major medical insurance through August 31. Employees resigning during the summer are paid either through June, July or August. The additional premiums needed to provide the added August coverage will be deducted from the resigning employees' final paychecks. COBRA notices and Certificates of Coverage will be automatically mailed to the resigning employees in mid-August.

Prospective TRS retirees are advised to consult with TRS about enrollment eligibility if they are planning to enroll in the TRS-Care medical plan upon their retirement.

Payroll Deductions: One half of the total monthly premiums for all employee benefits selected (medical, dental, disability, supplemental life, and cancer insurance) is deducted each pay period. **If an employee's gross income is not sufficient to pay the cost of the benefit plans that have been selected, the benefits will be reduced or canceled.**

Note: Some employees (i.e., food service personnel, eleven-month custodians, bus drivers, etc.) do not receive paychecks year round. Employees who do not receive twenty-four (24) checks per year will have additional Pre-Paid Insurance Premium (PIP) deductions for a portion of their expected summer premiums deducted from their paychecks from mid-September through June.

Pre-Existing Condition Limitations: No pre-existing condition limitations or exclusions apply to the CFISD Choice Fund HRA Plan or the CFISD KelseyCare HMO Plan.

Dependent Coverage: Coverage for dependents is available; their coverage may be selected at the time of the employee's initial enrollment. Adding dependent coverage after the first thirty-one (31) days of employment is contingent on IRS code Section 125C regulations and "Special Enrollment Events" as outlined below.

Eligible dependents include: your spouse, your unmarried, *dependent* child or grandchild from birth to age 25, and children of your covered dependent children. **A child is:** your biological child, your stepchild, your foster child, your adopted child, or a child placed for adoption with you; or any child who is related to you by blood or marriage who is primarily dependent on you for care and support, and lives with you in a parent/child relationship. You must show evidence that the child is a dependent on your federal income tax return.

A newborn, adopted, or foster child must be officially added to the employee's coverage to insure benefits coverage from the date of birth or placement. **An insurance plan change, officially adding the child, must be submitted by the employee to the district's Payroll Department within thirty-one (31) days of the child's birth or placement to ensure coverage. Proof of birth, adoption, or foster child placement in the home is required.** Coverage is retroactive to the date of birth or placement.

A new spouse has an open eligibility period for thirty-one (31) days from the date of marriage to be added as a dependent on

the insurance plan. Proof of marriage is required. Coverage is retroactive to the first of the month following the date of the marriage. Beyond the thirty-one (31) day eligibility period, the spouse's addition is restricted by IRS code 125C regulations and "Special Enrollment Events" as outlined below.

Texas State House Bill 1440 – News about Dependent Children and Grandchildren

House Bill 1440 affects employees with unmarried, **dependent** children and/or dependent grandchildren. The law requires group health plans to make coverage available to unmarried, dependent children up to age 25, regardless of their student status. The district will no longer require evidence of full-time student status in order to continue your dependent child's coverage under the plan. However, evidence of full-time student status will be accepted to verify a child's dependency. **NOTE:** Evidence of dependency may be required at anytime a claim is incurred for a dependent child age 19 to 25.

Grandchildren also benefit from this law. Employees desiring to add unmarried, dependent grandchildren to their coverage may do so only after providing evidence of dependency. Children of an employee's unmarried, covered dependent child will continue to be eligible for coverage immediately from his or her date of birth. Other grandchildren must satisfy eligibility criteria as outlined below. However, once a grandchild is covered, the employee does not need to show evidence of continued dependency unless there is a break in coverage.

The district will use the Internal Revenue Service (IRS) dependency tests as a guideline to determine a child's or grandchild's eligibility for coverage under the district's group health plan. The tests are effectively the same that would be used to determine if the child is eligible to be claimed as a dependent exemption for income tax purposes. The tests may be found in the IRS Publication 501 found on their website, www.irs.gov.

Special Note: An employee may be required to verify compliance with all the criteria by signing a notarized affidavit attesting to the dependent status of a child. Additionally, an employee will be required to sign an IRS Form 8821, Tax Information Authorization form.

Special Enrollment Events: The Health Insurance Portability and Accountability Act of 1996 (HIPAA), gives you and your family special health insurance enrollment rights. In addition to making mid-year changes because of family status changes described above, if you are declining enrollment for yourself or your dependents (including your spouse) because of other health insurance coverage, you may in the future be able to enroll yourself and/or your dependents in a district medical plan, provided that you request enrollment within thirty-one (31) days after your other coverage ends. This special enrollment right generally is available only if the other coverage is lost because it is no longer available (and not lost because of failure to pay for it or for cause, such as making a fraudulent claim). You are not required to elect COBRA coverage in order to have a special enrollment right; however, if you do elect COBRA coverage, you must continue it for the entire period it is available to you in order to preserve these special enrollment rights. In addition, if you acquire a new dependent as a result of marriage, birth, adoption, or placement for adoption, you may be able to enroll yourself and your new dependents (including your spouse), provided that you request enrollment within thirty-one (31) days after the marriage, birth, adoption, or placement for adoption. Depending on the event, the new coverage will be effective retroactively to the qualifying event date or the first of the month following the event date, whichever is appropriate. **Note:** You and your dependents will not have to show evidence of good health at the time of enrollment.

Health/Pharmacy/Dental Identification Cards: All medical insurance identification cards, pharmacy cards, and dental insurance identification cards are mailed to the employee participant's home address directly from the insurance company. New employees should receive their identification cards within thirty (30) days of their plan enrollment. **Special Note: If you change your address, please notify the district's Payroll Department or go on-line to the Employee Access Center and update your personal information. Our payroll database is used to transmit participants' eligibility and address information to the insurance companies.** An employee may order additional medical and dental identification cards through their plan's Customer Service number or on their websites. Additional PTRx pharmacy plan ID cards are available through the district's Payroll Department for a small fee.

Claims: Claim forms for the CFISD Choice Fund HRA Plan, the PTRx Prescription Drug Reimbursement, the Hospital Indemnity Plan, the disability and cancer insurance plans, and the Indemnity Dental Plan are available on the CFISD Insurance Department webpage link for "Your Benefit Station."

Beneficiary Information: When enrolling for benefits you will be asked to name your beneficiary(ies) for Basic and Supplemental Life insurance, benefits of \$15,000 up to \$250,000, depending on your selection. The Basic Life benefit is assignable and is very often used to pay the deceased employee's funeral expenses. To do that the primary beneficiary assigns, or authorizes, the life insurance company to pay the submitted funeral expense invoice, before distributing the remaining benefit proceeds to him/her.

The following article is very informative. Although it was written by the Teachers Retirement System of Texas (TRS) with your

TRS pension benefits in mind, the issues mentioned may be applicable whenever you are considering naming a minor child as a beneficiary for *any* benefit or asset you own. An assignment of benefits for funeral expenses, as mentioned above, is not permitted when a minor has been named as the primary beneficiary. Also, a large sum of life insurance proceeds may not be what a parent would want their ex-spouse, as the sole surviving parent and guardian of the child, to receive; or the child to receive automatically at the age of 18, the age of majority in Texas. We encourage you to consult an attorney if these issues are of concern to you.

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“Considerations before naming a minor child as a beneficiary”

“Designating a beneficiary to receive your TRS benefits can be one of the most important things you do as a member. Because this decision is such a personal one, TRS encourages you to carefully consider your options to ensure that your decision best serves your interests--particularly when designating a minor child.

While the law provides members with an option to name minor children as their beneficiaries, the benefit must be paid to an adult on behalf of the minor child. Complications sometimes arise that prevent the member's wishes from being carried out when the benefit cannot be paid directly to a minor.

If you, as a member, designate a minor child as your beneficiary, TRS cannot make benefit payments directly to that child if he or she is less than 18 years of age. In Texas, unless a guardian of the estate has been appointed for a minor child, the surviving parent may receive the benefit on behalf of the child.

Establishing a guardianship for a minor child requires a legal proceeding in which the court appoints the guardian and issues letters of guardianship. After presenting the letters of guardianship, the guardian with authority over the child's estate may receive the TRS benefit on behalf of a child. While naming a guardian in your will gives notice to the court of your desire to have a specific individual named, your will alone does not establish that guardian of your child's estate. Laws in other states may differ from those in Texas.

TRS members should also carefully consider the unintended consequences of naming an adult friend or relative with the intent that this person will distribute the benefit to a minor child. When an adult is named individually, TRS will pay the benefit to the individual using that person's Social Security number. All the tax consequences become the responsibility of the named beneficiary. You should also consider what could happen if that person is injured or killed before the benefit is distributed to your child. While the person you designate might follow through with your request to distribute the benefit to your child, there is no legal obligation to do so. If that person is incapacitated and a guardian is appointed, or if that person dies and an executor is appointed, the guardian or executor would be legally obligated to use the proceeds for the benefit of the beneficiary or the beneficiary's estate.

Also consider the risk, even if it may appear minimal, that the person you designate may not follow through with your request. These unintended consequences become real-life dilemmas that only a court of law - not TRS - may resolve.

Complications may also arise if multiple beneficiaries are involved. For example, death benefits paid on behalf of an active member include an option of a lump sum payment and for certain beneficiaries, survivor benefits. The lump sum amount is equal to twice the member's annual rate of compensation up to a maximum of \$80,000. Survivor benefits for a spouse or minor child usually include a smaller lump sum amount of \$2,500 and a monthly annuity. When adults *and* a minor child are named as joint beneficiaries, the adult beneficiary may have to make a difficult choice. The child may receive the child's portion of the \$2,500 benefit *plus* a monthly annuity which is paid until the child reaches age 18, while the adult beneficiaries may only be eligible to receive their portion of the smaller \$2,500 lump sum benefit. For the adult, their portion of the lump sum benefit may be greater than their portion of the smaller \$2,500 benefit. But for the child, the smaller portion of the \$2,500 benefit *plus* the monthly annuity may be the greater benefit. Adult joint beneficiaries must elect the smaller survivor benefit in order to allow a minor child to receive the annuity.

If you wish to name a minor child as a beneficiary, TRS encourages you to consider seeking legal advice to fully understand the options available to you. Your attorney can advise you regarding methods of designating a beneficiary that will legally obligate the adult you select to act for the benefit of your child with regard to TRS benefits.

You may want to consider establishing an inter vivos or testamentary trust for the benefit of your minor child and designating the trust as the beneficiary of your TRS benefits. By doing so, you can determine who will manage the benefit paid on behalf of your child. Please keep in mind that if you name a testamentary trust (one established in your will) your estate must be probated in a way that allows TRS to pay the benefits in this manner. You may also want to talk with your attorney about making a designation under the Texas Uniform Transfer to Minors Act. This act allows you to designate a custodian to receive the benefit on behalf of a child under the age of 21.”

Insurance Information: The district's Insurance and Payroll Departments staffs are available to assist you concerning your insurance or benefit coverage questions and concerns. The Insurance and Payroll Departments are located in the Instructional Support Center (North), 10300 Jones Rd., phone, (281) 897-3882. Additional assistance with your plan selections may be received by contacting the following companies directly or by visiting the Insurance Department website. The website has links to each health plan administrator. You can also locate a network physician or other network healthcare provider through the website links.

Health Insurance Plans – Information also available on Cypress-Fairbanks ISD website, www.cffisd.net

CIGNA Healthcare Pre-Enrollment Information Line toll free (for assistance in deciding on a medical plan (Available through June, 2010.) **1-800-401-4041**

CFISD Choice Fund HRA Plan (CIGNA Healthcare OAP Network) (Customer Service) 1-800-244-6224
Visit www.cigna.com for additional information and network provider directories.

CFID KelseyCare HMO Plan (Customer Service) 1-800-244-6224
Visit www.cigna.com for additional information and network provider directories.

Hospital Indemnity Plan (The district's Insurance and Payroll Departments) 281-897-3882
PTRX Pharmacy Plan (Customer Service) 1-877-469-7879
Visit www.ptrx.com for additional information.

Basic & Supplemental Life Insurance

First Harbor Group (Debra Taylor, Account Manager) dtaylor@firstharbor.com 281-807-8633

Dental Plans:

Assurant Indemnity Dental Plan (Ed Station, Agent) Estationins@aol.com 281-333-9792

Also (Audrey Ayers, Agent) audreyins@aol.com 281-333-9792

PrePaid Heritage DHMO Dental Plan (Ed Station, Agent) Estationins@aol.com 281-333-9792

Also (Audrey Ayers, Agent) audreyins@aol.com 281-333-9792

MSofA Dent-All -Discount Plan (Wes Ryan, Agent) wryaninsurance@hotmail.com 281-894-5080

QCD of America (Member Services) www.qcdofamerica.com 1-800-229-0304 ext 20

Disability Insurance Plan

UNUM Disability Plan (Ed Station, Agent) Estationins@aol.com 281-333-9792

Also (Audrey Ayers, Agent)) audreyins@aol.com 281-333-9792

Cancer & Specified Disease Insurance

Underwritten by Humana Insurance Company (Lou Moore, Agent) ritagmoore@yahoo.com 281-380-1488

Tax Deferred Investments

For the 403 (b) program call the district's Payroll Department 281-517-6050

For the list of TRS certified investment companies access the TRS website at www.trs.state.tx.us

For the 457 plan contribution forms call the Finance Department at 281- 897-4020

PREMIUM ONLY PLAN (POP)

The district's Flexible Benefits Plan, also known as the Premium Only Plan (POP), a qualified "cafeteria plan" under Section 125 of the Internal Revenue Code of 1986, was recently amended to better comply with federal mandates including the Consolidated Omnibus Budget Reconciliation Act (COBRA), the Family Medical Leave Act (FMLA), the Health Insurance Portability and Accountability Act (HIPAA), and other provisions of the law including Sections 105 and 106 of the IRS Code.

The plan is the umbrella under which the district's employee group benefit plans are administrated allowing premiums for benefits to be deducted from gross income pretax; resulting in federal income tax savings for participating employees. Several sections of the plan are provided here to educate and inform employees of their rights and responsibilities regarding changes to their benefit selections. *The complete plan document is on file in the district's Insurance Department.*

Plan Year and Participation: The plan year is September 1 through August 31, annually. *Participation in the plan is mandatory.* Premiums for the following benefit plans will be deducted on a pretax basis: group medical and dental benefits, group term life insurance (up to \$35,000), accidental death and dismemberment insurance, and the National Union Fire Insurance Company cancer and specified disease insurance policy. Failure to enroll or change elections in any benefit plan during any annual enrollment period shall be deemed to be a reelection of an employee's prior plan year's elections. The disability insurance plan is not included in the plan, allowing disability benefits to be received tax-free.

When Participation is Canceled Because of Termination of Employment: Participation in the plan is terminated on the last day of the month of employment. If the individual again becomes an eligible employee during the same plan year and is otherwise eligible to participate in the plan again, participation will be resumed for the remainder of the plan year according to the benefit elections in effect immediately prior to the termination of participation.

Participation During Leaves of Absence: A participant on paid leave of absence shall continue to participate in the plan. A participant who is on an unpaid leave of absence, other than for Family Medical Leave FML (see below), shall be deemed to have terminated plan participation. Participation in the plan can be continued during an unpaid period of employment by paying all required premiums to the district. *If required premiums are not paid to the district during the unpaid leave and the employee resumes employment, he/she cannot resume participation in the group benefit plans until the next annual enrollment period.*

Family Medical Leave (FML): An employee on an approved Family Medical Leave has rights allowing cancellation of plan participation, or continued participation in the plan with premium payments being made to the district, and full resumption of benefits regardless of their cancellation during the leave.

Change of Election: A participant may **ONLY CHANGE** a benefit election during the plan year in accordance with the following provisions:

Special Enrollment Due to Loss of Other Coverage: If coverage under this plan was declined for the employee, spouse, or other dependent because of other group health plan coverage and the other coverage is lost because of a loss of eligibility the employee, spouse, or other dependent shall be eligible to participate in this plan provided that the individual enrolls in the plan within thirty-one (31) days after the loss of the other coverage.

Special Enrollment Rights Due to Newly Acquired Dependents: If a dependent becomes a dependent of the eligible employee through marriage, birth, or adoption or placement for adoption, the eligible employee, spouse, or dependent shall be eligible for participation provided that the individual enrolls in the plan with thirty-one (31) days after the marriage, birth, or adoption or placement.

Change In Status Events: An employee may change his/her election if a change in status described below occurs during the plan year and the benefit election change is on account of and consistent with the change in status. The employee and/or dependent must enroll in the plan within thirty-one (31) days after the event date.

Legal marital status: Events that change an employee's legal marital status, including marriage, death of spouse, divorce, legal separation, or annulment. **Note:** The district recognizes common law marriage only if the employee has a certificate of common law marriage.

Number of dependents: Events that change an employee's number of dependents, including birth, adoption, placement for adoption or death of a dependent.

Employment status: A termination or commencement of employment by the employee, spouse, or dependent.

Work schedule: A switch between part time and full time and vice versa by the employee.

Dependent satisfies or ceases to satisfy the requirements for unmarried dependents: An event that causes an employee's dependent to satisfy, or cease to satisfy, the requirements for coverage due to dependency status, attainment of age, or any similar circumstance as provided in the health plan under which the employee receives coverage.

Cost Changes: If an employee elects health coverage which is insured or provided by a health maintenance organization (HMO) and the insurer or HMO significantly increases the cost of coverage during the Plan year, the employee may change his or her benefit election for another similar coverage provided by the employer for the remainder of the plan year. *In this circumstance, an employee may not waive coverage for the remainder of the plan year.*

SPECIAL NOTE: Any changes outlined above must be made within thirty-one (31) days of the change of status event date and must be evidenced at the time of the change with documented proof of the change. If in doubt as to whether an event qualifies for a change in selections or what is accepted as documentation of the status change please call the Payroll Department for assistance **well in advance of the thirty-one (31) day deadline.** The new coverage will be effective retroactively to the qualifying event date or the first of the month following the qualifying event date, whichever is most appropriate for the qualifying event.

NOTE: *A change in health insurance plans, such as changing from the HRA Plan to the HMO Plan, or the Indemnity Plan to the HMO Plan, is never allowed mid-year except in the case of a "Special Enrollment Event" as described earlier in this section. Health insurance plan changes are only permitted at the plan's anniversary date, currently September 1 of each year.*

REQUIRED NOTIFICATION

WOMEN'S HEALTH AND CANCER RIGHTS ACT OF 1998

The federal law entitled the *Women's Health and Cancer Rights Act of 1998* requires group health plans and health insurers providing coverage for mastectomies to provide certain mastectomy-related benefits or services. The district's two major medical insurance plans, CFISD Choice Fund HRA Plan and the CFISD KelseyCare HMO Plan currently provide coverage for these medical services.

The following information is being provided to you as required by law. This notice is a summary, for information purposes only, and is not intended to be legal advice.

The Women's Health and Cancer Rights Act of 1998 (The "ACT") was enacted as part of H.R. 4328, Federal Omnibus Consolidated and Emergency Supplemental Appropriations Bill for 1999.

The Act requires that group health plans and health insurance issuers, in the group or individual markets, that provide medical and surgical benefits with respect to mastectomy, must provide plan participants and plan beneficiaries who are receiving benefits in connection with a mastectomy, and who elect breast reconstruction in connection with the mastectomy, coverage for the following:

- reconstruction of the breast on which the mastectomy has been performed;
- surgery and reconstruction of the other breast to produce a symmetrical appearance;
- and prostheses and treatment of physical complication at all stages of mastectomy, including lymphedemas.

Coverage for these benefits or services will be provided in a manner determined in consultation with the attending physician and the patient. Coverage for the mastectomy-related services or benefits required under the Women's Health Law may be subject to the same deductibles and co-insurance or co-payment provisions that apply with respect to other established medical or surgical benefits under the group health plan or coverage.

Insured plans, including large and small groups, individual coverage, association plans and self-funded plans, are subject to the law. The Act's requirements are effective for plan years beginning on or after October 21, 1998. In addition to the mandated coverage, the Act requires that group plans and health insurance issuers provide written notice of the availability of the coverage to plan participants and plan beneficiaries at the time of initial enrollments, and annually thereafter. The Act prohibits group health plans and health insurance issuers from:

- denying eligibility or continuing eligibility;
- not enrolling or non-renewing coverage under the terms of the plan solely for the purpose of avoiding compliance with the Act;
- penalizing or otherwise reducing or limiting the reimbursements of an attending health care provider;
- providing incentives (monetary or otherwise) to an attending health care provider; or inducing a provider to provide care in a manner inconsistent with the Act.

The summary above is an overview of the Women's Health and Cancer Rights Act of 1998. This is your legally required notification. If you have any questions regarding the provisions of this law, please contact your plan's Member or Customer Service Department (the telephone number is on your health insurance ID card) or check with a staff member of the district's Insurance Department.

REQUIRED NOTIFICATION

COBRA LAW

TEMPORARY EXTENSION OF HEALTH & DENTAL INSURANCE COVERAGE

Pursuant to the Consolidated Omnibus Budget Reconciliation Act (COBRA), the district offers employees and their families the opportunity to obtain temporary extension of health coverage at the group rate in certain instances where coverage under the plan would otherwise end.

An employee or an employee's dependent covered by a district health insurance plan (medical or dental), may extend coverage for a period of eighteen (18) months if the employee's/dependent's coverage is lost due to the occurrence of any of the following qualifying events and the employee or dependent is not covered by any other group health insurance plan:

- voluntary termination of employment (*i.e.* resignation or retirement);
- involuntary termination of employment (other than for gross misconduct);
- temporary disability leave; or
- reduction in work hours.

In the event of one of the above qualifying events, COBRA coverage is available for up to eighteen (18) months, but may be extended to a total of twenty-nine (29) months in certain cases of disability (*see* Disability Extension below). The employee and each covered dependent has an individual right to request COBRA coverage.

A covered dependent may elect COBRA coverage for a period of up to thirty-six (36) months if coverage is lost due to one of the following qualifying events:

- the employee's death;
- divorce or legal separation;
- the employee becomes eligible for Medicare;
- or the dependent child ceases to be dependent because of age, dependency status, or marriage.

The cost for this extended coverage is 102% of the total premium (the amount you and Cypress-Fairbanks ISD have been paying for health insurance coverage, plus a 2% administration charge). If the cost for COBRA coverage changes during your participation you will be notified of the new premium in writing prior to its due date.

The coverage may be terminated automatically if: (1) you fail to make a monthly premium payment, (2) obtain health coverage through a new employer, (3) Medicare coverage begins for a person benefiting from the extension; (4) a spouse remarries and becomes eligible for coverage under another group health plan; or, (5) the plan itself is terminated.

Both you and Cypress-Fairbanks Independent School District have responsibilities when certain events occur which qualify you for continued coverage. You or a covered dependent have the responsibility to inform Cypress-Fairbanks ISD of a divorce, legal separation, or a child losing dependent status under the group health plan **within sixty (60) days of the qualifying event.** Cypress-Fairbanks ISD will then notify any other covered dependents that are affected by the event of their right to elect COBRA coverage.

COBRA participants also have the responsibility of notifying the district if they experience additional COBRA qualifying events during their COBRA term that might qualify them for additional months of extended coverage.

Legislative changes to COBRA coverage effective January 1, 1997.

Disability Extension - If you elect COBRA continuation coverage based on termination of employment or reduction of hours, and you become disabled (as determined by Social Security) anytime *within the first sixty (60) days of COBRA continuation coverage*, you and your covered family members may elect a special additional eleven (11)-month extension, for a total of twenty-nine (29) months of COBRA continuation coverage. **To elect the eleven (11)-month extension, you must notify the Plan Administrator within sixty (60) days of the date Social Security determines that you or your family member is disabled and within the first eighteen (18) months of COBRA continuation coverage.** (The cost of COBRA coverage will increase from 102% to 150% of total premium during this additional eleven (11)-month extension period.)

Newborn and Adopted Children - If you are entitled to COBRA because you are a current or former employee of Cypress-Fairbanks ISD and a child is born to or adopted by you while you are on COBRA continuation coverage, you can enroll your new child for COBRA continuation coverage immediately. Also, your newborn or adopted child will attain "qualified beneficiary" status; in other words, he/she will have independent election rights and second qualifying event rights.

Pre-existing Condition Limitation - COBRA coverage may be terminated when you become covered under another group health plan, but only if the other plan does not contain an exclusion or limitation that affects a pre-existing condition you have. If you do become covered under another group health plan and are affected by a pre-existing condition limitation, COBRA coverage may be canceled as soon as that pre-existing condition limitation is satisfied due to the new plan's crediting toward the limitation any prior coverage you had.

If you have any questions about the COBRA law, need premium information, or need to report a qualifying event, please contact the Insurance Department, Instructional Support Center-North, (281) 807-8650.

REQUIRED NOTIFICATION

CYPRESS-FAIRBANKS INDEPENDENT SCHOOL DISTRICT NOTICE OF PRIVACY PRACTICES

THIS NOTICE DESCRIBES HOW HEALTH INFORMATION ABOUT YOU MAY BE USED AND DISCLOSED AND HOW YOU CAN GET ACCESS TO THIS INFORMATION.

PLEASE REVIEW IT CAREFULLY.

OUR LEGAL DUTIES

We are required by law to reasonably safeguard the privacy of your protected health information. We are also required to give you this notice about our legal duties and privacy practices relating to protected health information. Protected health information is any individually identifiable health information, whether oral or recorded in any medium, that is created or received by entities such as health care providers, health plans, or employers, and relates to the physical or mental health or condition of an individual, or to the payment for the provision of health care to an individual and that is maintained in a designated record set(s).

We are required to abide by the terms of this notice currently in effect. We reserve the right to change our privacy practices and the terms of this notice for all protected health information we maintain even if it was created or received before issuing the revised notice. If a material revision is made, we will distribute a copy of the revised notice.

This notice takes effect on April 14, 2003, and remains in effect until we replace it.

You may request a copy of this notice at any time or you may view it on our website at WWW.CFISD.NET. For more information about our privacy practices, or for additional copies of this notice, please contact the individual designated at the end of this notice.

USES AND DISCLOSURES

We may use and disclose your health information for treatment, payment, and healthcare operations. For example:

Treatment: We may use and disclose your protected health information to provide, coordinate, or manage your health care and any related services with a physician or other health care provider.

Payment: We may use and disclose your protected health information to determine and to fulfill coverage responsibilities and to provide benefits under the District's health plan. We may also use and disclose your protected health information to obtain or provide reimbursement for benefits provided.

Healthcare Operations: We may use and disclose your protected health information for certain administrative, financial, legal, and quality improvement activities necessary to run our business and to support the core functions of treatment and payment. Such activities include, but are not limited to, underwriting and other activities relating to the creation, renewal, or replacement of a contract for health benefits. Such activities also include sharing your protected health information with third party "business associates" that perform various activities for us.

In addition to treatment, payment and health care operations purposes, we may use or disclose your protected health information for the following purposes:

Family and Representatives: We must disclose your protected health information to you, as described in the Patient Rights section of this notice. We may disclose your health information to a family member, friend or other person to the extent necessary for the proper provision or payment of healthcare.

Persons Involved in Your Care: We may use or disclose protected health information to notify, or assist in the notification of (including identifying or locating) a family member, a personal representative of the individual, or another person responsible for the care of the individual of the individual's location, general condition, or death. If you are present you will have the opportunity to object to such use or disclosure of your protected health information. If you are not present, or the opportunity to agree or object cannot be provided due to incapacity or emergency, we, in the exercise of professional judgment, may determine whether the disclosure is in your best interest. We may use professional judgment and our experience with common practice to make reasonable inferences of your best interest in allowing a person to act on your behalf to pick up protected health information.

Required by Law: We may use or disclose protected health information to the extent that such use or disclosure is required by federal, state or local law and the use or disclosure complies with, and is limited to, the relevant requirements of such law.

Public Health Activities and Related Purposes: We may disclose your protected health information to public health authorities authorized by law to collect or receive such information for the purpose of preventing or controlling disease, injury, disability, or child abuse or neglect. We may also disclose your protected health information to a person subject to the jurisdiction of the Food and Drug Administration (FDA) with respect to an FDA-regulated product or activity for which that person has certain responsibilities.

Abuse or Neglect: We may disclose protected health information about an individual whom we reasonably believe to be a victim of abuse, neglect, or domestic violence to a government authority, including a social service or protective services agency, authorized by law to receive reports of such abuse, neglect, or domestic violence.

Health Oversight Activities: With certain exceptions, we may disclose your protected health information to a health oversight agency for oversight activities authorized by law, including audits; civil, administrative, or criminal investigations; inspections; licensure or disciplinary actions; civil, administrative, or criminal proceedings or actions; or other activities necessary for appropriate oversight of specified programs.

Judicial and Administrative Proceedings: We may disclose protected health information in the course of any judicial or administrative proceeding: 1) in response to an order of a court or administrative tribunal, or 2) in response to a subpoena, discovery request, or other lawful process.

Law Enforcement Purposes: We may disclose your protected health information for a law enforcement purpose to a law enforcement official as required or permitted by law.

Workers' Compensation: We may disclose protected health information as authorized by and to the extent necessary to comply with laws relating to workers' compensation or other similar programs that provide benefits for work-related injuries or illness without regard to fault.

Health and Safety: We may, consistent with applicable law and standards of ethical conduct, use or disclose protected health information, if we, in good faith, believe the use or disclosure will avert a serious threat to health or safety of a person or the public.

Plan Sponsor: We may disclose your protected health information to District officials as needed to fulfill our administrative responsibilities relating to the District's Health Care Plan.

National Security: We may use and disclose the protected health information of individuals who are Armed Forces personnel for activities deemed necessary by appropriate military command authorities to assure the proper execution of the military mission, if the appropriate military authority has published by notice the appropriate information. We may also disclose to authorized federal officials health information required for lawful intelligence, counterintelligence, and other national security activities. We may disclose to a correctional institution or law enforcement official having lawful custody of an inmate or other individual protected health information about such inmate or individual upon a showing of necessity.

INDIVIDUAL RIGHTS

Access: You have a right of access to inspect and obtain a copy of protected health information about you, with limited exceptions, for so long as we maintain the information. You may request the information in a format other than hard copies and we will comply with your request if practicable. You must make your written request for a copy to the contact person listed at the end of

this notice. You will be charged a reasonable cost-based fee for expenses such as copies, labor, postage, and a summary of the health information if you request one. You may also request access by sending written notice to the contact person at the end of this notice. You have a right to request a review of certain denials of access.

Restriction: You have the right to request additional restrictions on the use and disclosure of your protected health information. We are not required to agree, but if we do, we are required to abide by the restriction. We must also accommodate reasonable written requests to receive communications of protected health information by alternative means or at alternative locations, if you clearly state that the disclosure of all or part of that information could endanger you.

Amendment: You have the right to request that we amend your protected health information. Your request must be in writing stating the reason for your request and must be provided to the contact person listed at the end of this notice. We have the right to deny such requests under certain circumstances. If your request is denied, you have a right to submit a written statement disagreeing with the denial.

Accounting: You have a right to receive an accounting of disclosures of your protected health information made by us or our business associates for purposes other than treatment, payment or health care operations and certain other activities. The request may be for disclosures in the six years prior to the date on which the accounting is requested, but not before April 14, 2003. The first request for an accounting is provided free of charge. Additional requests within a 12-month period will be charged a reasonable cost-based fee.

Authorization: The Plan will obtain your authorization for uses or disclosures that are not identified by this notice or permitted by applicable law. You may revoke any authorization in writing at any time. Your revocation will not affect any use or disclosure permitted by your authorization while it was in effect.

Electronic Notice: If you receive this notice electronically, you may still obtain a paper copy upon request to the contact person listed at the end of this notice.

QUESTIONS AND COMPLAINTS

If you have questions, concerns, or complaints about our privacy practices please contact us.

BECKY KNIGHT, ASSISTANT SUPERINTENDENT (281) 897- 4020
STUART SNOW, ASSOCIATE SUPERINTENDENT (281) 897-3856

If you believe that your privacy rights have been violated or you are concerned about a decision relating to access, restriction, amendment, accounting, or notice, you may file a grievance with the contact person listed below. You may also submit a written complaint to the Secretary of the U.S. Department of Health and Human Services at: Region VI, Office for Civil Rights, U.S. Department of Health and Human Services, 1301 Young Street, Suite 1169, Dallas, Texas 75202; or by e-mail at: OCRComplaint@hhs.gov.

The privacy of your health information is important to us. We will not retaliate against you for filing a complaint.