



# CITY OF JACKSON MEDICAL BENEFIT PLAN

## Annual Notice Concerning Federal Laws & Acts - Benefit Year 2015

*Distribution Date: October 14, 2014 and new employees*

### **WHAT YOU SHOULD KNOW**

The City of Jackson is pleased to provide its eligible employees, retirees, and their dependents with a quality health plan and dental plan providing some of the best benefits at the lowest cost to employees in our area.

This newsletter provides important information about federal laws and acts that affect your coverage. It also includes information about the policies and procedures of the City of Jackson Medical Benefit Plan (the Plan). You should read this notice carefully and keep it with your important papers. This notice, along with your Benefits Booklet, will assist you in understanding your rights under the Plan and your responsibilities to the Plan.

### **WHAT YOU SHOULD KNOW ABOUT YOUR EMPLOYER-PROVIDED HEALTH INSURANCE & HEALTH CARE REFORM**

The Affordable Care Act (ACA) provides individuals with a new way to compare and purchase private health insurance plans through the Health Insurance Marketplace (also called the Exchange). Information about the Marketplace was provided to employees via mail in a notice titled, "*New Health Insurance Marketplace Coverage Options & Your Health Coverage.*" You may view this notice on the City of Jackson's web site or request a copy by contacting the City of Jackson, Department of Personnel, Insurance Section (601) 960-1051 or (601) 960-2288.

You should understand the following important information about your employer-provided health coverage as it relates to health care reform:

1. The City of Jackson offers health coverage to full-time employees (at least 70% for 2015) as that term is defined by the ACA (earning at least 30 hours of service a week or 130 hours of service a month on average).
2. The ACA requires most individuals to have health insurance that qualifies as "minimum essential coverage." The City of Jackson Medical Benefit Plan provides minimum essential coverage.
3. The ACA establishes a "minimum value" standard of benefits for a health plan which is 60% actuarial value. The City of Jackson Medical Benefit Plan meets the minimum value standard.

### **GRANDFATHERED STATUS**

The City of Jackson Medical Benefit Plan is a "grandfathered plan" under the Affordable Care Act. As permitted by the Act, a grandfathered plan may preserve certain basic health coverage that was already in effect when that law was enacted. As a grandfathered health plan, the Plan may not include certain consumer protections of the Act that apply to other plans; for example, the requirement for the provision of preventive health services without cost sharing. However, grandfathered health plans must comply with certain other consumer protections in the Act, such as the elimination of lifetime limits on benefits.

Questions regarding which protections may or may not apply to a grandfathered health plan and what might cause a plan to change its status can be directed to the City of Jackson, Department of Personnel Management, Insurance Section (601) 960-1051 or (601) 960-2288. You may also contact the Employee Benefits Security Administration, U.S. Department of Labor: 1-866-444-3272 or [www.dol.gov/ebsa/healthreform](http://www.dol.gov/ebsa/healthreform).

### **PRIVACY NOTICE**

The Plan and its associates, like Blue Cross Blue Shield of Mississippi, adhere to and comply with the Privacy Act and have adopted practices and procedures to protect the privacy of your medical information. Blue Cross Blue Shield of Mississippi also states its privacy policy on its web site: [www.bcbsms.com](http://www.bcbsms.com). The Plan's Privacy Policy is available on the Employee Section of the City's web site: [www.jacksonms.gov](http://www.jacksonms.gov). A paper copy is also available, free of charge, by contacting the City of Jackson, Department of Personnel Management, Insurance Section (601) 960-1051.

### **PATIENT PROTECTION**

The Plan does not restrict coverage to any specific physician and the individual may designate any primary care, pediatrician, obstetric, gynecological, or specialty care provider in the network. A list of covered physicians, hospitals, and other medical providers is available on the Blue Cross Blue Shield web site: [www.bcbsms.com](http://www.bcbsms.com).

**NOTICE OF A SPECIAL ENROLLMENT PERIOD**

If you or any of your family members declined coverage in the Plan when first eligible for coverage (or during the annual Open Enrollment Period), you and your Eligible Dependents may enroll in the Plan when certain events cause a Change-In-Status Event. Some Change-In-Status Events result in termination of coverage for a dependent. **To make an enrollment change due to a Change-In-Status Event, you must contact the Department of Personnel, Insurance Section within 30 days (unless otherwise noted) of the event.**

Change-In-Status Events include:

1. A change in your marital status (marriage, divorce, legal separation, or death of your spouse).
2. A change in the number of your dependents (birth or adoption of a child, child placed with you for adoption, or death of a child).
3. A change in you or your spouse's employment status, such as starting/ending employment, changing from part-time to full-time or vice versa, a strike or lockout, taking or returning from an unpaid leave of absence, or leave under the Family and Medical Leave Act or USERRA during which your or your spouse's coverage terminated.
4. Exhaustion of your coverage period under a previous employer's COBRA continuation.
5. A significant change in the costs of or coverage provided by your spouse's employer-sponsored health plan or a significant change in the costs of your coverage provided by this Plan.
6. A change in the eligibility status of a dependent child, such as the child reaching age 26 - the maximum age for coverage under the Plan.
7. An end to the Disability of a Disabled child enrolled as your dependent under the Plan or an end to the eligibility of a Disabled child because the Employee has retired.
8. A required change due to a court order.
9. Change in your residence or work site, or that of a spouse or dependent, which affects ability to access benefits under this or another employer-sponsored health plan.
10. You or your dependent becoming entitled to Medicare or Medicaid.
11. You or your dependent(s) loss of coverage under Medicaid or a State Children's Health Insurance Plan (SCHIP) because of loss of eligibility. **Enrollment request must be made within 60 days of the termination of coverage.**
12. You or your dependent(s) becomes eligible for the premium assistance under Medicaid or SCHIP. **Enrollment request must be made within 60 days of becoming eligible for the premium assistance.**

**NOTICE OF YOUR RIGHT TO COBRA CONTINUATION COVERAGE**

The right to COBRA coverage was created by the federal law, the Consolidated Omnibus Budget Reconciliation Act of 1985. COBRA continuation coverage can become available to you or a dependent when you or a dependent would otherwise lose your group health coverage. Information about rights under COBRA can be found in your City of Jackson Medical Benefit Plan Benefits Booklet. You can also obtain information about COBRA from the City's Claims Administrator, Blue Cross Blue Shield of Mississippi. To have a copy of the Benefits Booklet explaining COBRA and your rights under the Act mailed to you free of charge, contact the City of Jackson, Department of Personnel Management, Insurance Section (601) 960-1051 or (601) 960-2288.

There are time limits on when a member may apply for the COBRA continuation of coverage. It is vital that you notify the Department of Personnel, Insurance Section when there is a COBRA qualifying event that may affect your coverage or that of your dependent, such as: 1) your hours of employment are reduced; 2) your employment ends for any reason; 3) your spouse dies; 4) your spouse's hours of employment are reduced; 5) your spouse's employment ends; 6) your spouse becomes entitled to Medicare benefits; 7) you become divorced or legally separated from your spouse; 8) the child's parent-employee dies; 9) the parent-employee's hours of employment are reduced; 10) the parent-employee's employment ends; 11) the parent-employee becomes entitled to Medicare benefits; 12) the parents become divorced or legally separated; or, 13) the child stops being eligible for coverage under the Plan as an Eligible Dependent.

**ALTERNATIVES TO COBRA CONTINUATION COVERAGE**

There may be health insurance coverage options for you and your family in addition to COBRA continuation coverage. The Health Insurance Marketplace offers a new way to shop for health insurance and you may be eligible for a tax credit that lowers your monthly premiums. Marketplace coverage may be less expensive than COBRA coverage for many individuals, and, unlike COBRA, is available indefinitely. Being eligible for COBRA does not limit your eligibility for coverage and the tax credit through the Marketplace. Additionally, you may qualify for a special enrollment opportunity through the Marketplace or another group health plan (such as your spouse's plan), if you request enrollment within 30 days of a qualifying event. **Visit or call the Health Insurance Marketplace at: [www.healthcare.org](http://www.healthcare.org), or 800-318-2596.**

**NOTICE OF THE PLAN'S OPT-OUT OF SOME FEDERAL REGULATIONS**

The Plan has elected to opt-out of certain federal regulations including: the Health Insurance Portability & Accountability Act of 1996 (HIPAA), as amended by the Affordable Care Act, the Newborns' & Mothers' Health Protection Act of 1996 (NMHPA), the Mental Health Parity Act of 1996 (MHPA), the Mental Health Parity & Addiction Equity Act of 2008, and Michelle's Law (2008). The Plan does comply with HIPAA provisions for special enrollment rules and discrimination based on health status rules.

1. **Health Insurance Portability & Accountability Act ("HIPAA"):** Many of the provisions of HIPAA do not apply to the Plan or the Plan is already in compliance with these provisions. For example, HIPAA requires a special enrollment period for employees who incur a Change-In-Status Event concerning eligibility of family members. The Plan has always offered this benefit. HIPAA also prohibits discrimination and the Plan has never imposed discriminatory rules.
2. **Mental Health Parity Act (MHPA) & Mental Health Parity & Addiction Equity Act of 2008 (MHPA 2008):** Maintains the existing limitations and expands parity to include substance use disorder benefits as well as mental health benefits; prohibits financial and treatment limitations and separate cost-sharing requirements. The City's election to opt-out of this Act results in a lesser benefit and treatment coverage than would otherwise be provided. You should carefully discuss your treatment options with your provider in advance of starting treatment. You may review the mental health and substance use disorder benefits provided by the Plan using the Summary of Benefits & Coverage available at: [www.jacksonms.gov](http://www.jacksonms.gov). A paper copy is available, free of charge, by contacting the City of Jackson, Department of Personnel Management, (601) 960-1051.
3. **Newborns' & Mothers' Health Protection Act (NMHPA):** The NMHPA establishes minimum in-patient hospital stays for newborns and mothers following delivery, based on medical necessity. The Plan has never imposed limitations regarding the length of an in-patient hospital stay following delivery. The Plan's decision to opt-out of NMHPA will have no effect on current or new employees.
4. **Michelle's Law:** Provides that a group health plan may not terminate the coverage of a full-time student due to a medically necessary leave of absence. The Affordable Care Act (ACA) requires coverage of a dependent child up to age 26 regardless of full-time student status. The City's Plan complies with ACA and extends coverage to all dependent children to age 26 regardless of student status.
5. **Women's Health & Cancer Rights Act:** The Plan complies with the Women's Health & Cancer Rights Act. The Plan provides medical benefits for mastectomies for treatment of breast cancer including reconstructive surgery of the breast on which the mastectomy was performed and of the other breast to produce a symmetrical appearance; prosthesis and coverage of physical complications resulting from all stages of the mastectomy, including lymphedema. Coverage of prosthesis includes initial placement of prosthesis and replacements as determined to be Medically Necessary. Coverage of prosthesis also includes the brassiere required to hold the prosthesis, limited to a Plan Year Maximum Benefit of four (4) brassieres.

**THIS NOTICE APPLIES ONLY TO ACTIVE EMPLOYEES AND  
DEPENDENTS ELIGIBLE FOR MEDICARE DUE TO AGE OR DISABILITY**

**IMPORTANT NOTICE ABOUT YOUR  
PRESCRIPTION DRUG COVERAGE & MEDICARE – 2015**

***(ATTENTION: THIS NOTICE DOES NOT APPLY TO RETIRED EMPLOYEES  
WHO ARE ELIGIBLE FOR MEDICARE DUE TO AGE OR DISABILITY)***

Please read this notice carefully and keep it where you can find it. This notice has information about your current prescription drug coverage with the City of Jackson Medical Benefit Plan and your options under Medicare's prescription drug coverage. This information can help you decide whether or not you want to join a Medicare drug plan. If you are considering joining, you should compare your current coverage, including which drugs are covered at what cost, with the coverage and costs of the plans offering Medicare prescription drug coverage in your area. Information about where you can get help to make decisions about your prescription drug coverage is at the end of this notice.

There are two important things you need to know about your current coverage and Medicare's prescription drug coverage:

1. Medicare prescription drug coverage became available in 2006 to everyone with Medicare. You can get this coverage if you join a Medicare Prescription Drug Plan or join a Medicare Advantage Plan (like an HMO or PPO) that offers prescription drug coverage. All Medicare drug plans provide at least a standard level of coverage set by Medicare. Some plans may also offer more coverage for a higher monthly premium.
2. Blue Cross Blue Shield of Mississippi has determined that the prescription drug coverage offered by the City of Jackson Medical Benefit Plan is, on average for all plan participants, expected to pay out as much as standard Medicare prescription drug coverage pays and is therefore considered Creditable Coverage. Because your existing coverage is Creditable Coverage, you can keep this coverage and not pay a higher premium if you later decide to join a Medicare drug plan.

**When Can You Join A Medicare Drug Plan?**

You can join a Medicare drug plan when you first become eligible for Medicare and each year **October 15th through December 7th**.

However, if you lose your current creditable prescription drug coverage, through no fault of your own, you will also be eligible for a two (2) month Special Enrollment Period (SEP) to join a Medicare drug plan.

**What Happens To Your Current Coverage If You Decide To Join A Medicare Drug Plan?**

If you decide to join a Medicare drug plan, your current City of Jackson Medical Benefit Plan coverage will not be affected. City of Jackson Medical Benefit Plan will maintain coverage as the primary payer to Medicare Part D for any individual who elects Medicare Part D.

If you do decide to join a Medicare drug plan and drop your current City of Jackson Medical Benefit Plan coverage, be aware that you and your dependents will not be able to get this coverage back until the next open enrollment period for the following calendar year.

**When Will You Pay A Higher Premium (Penalty) To Join A Medicare Drug Plan?**

You should also know that if you drop or lose your current coverage with the City of Jackson Medical Benefit Plan and don't join a Medicare drug plan within 63 continuous days after your current coverage ends, you may pay a higher premium (a penalty) to join a Medicare drug plan later. If you go 63 continuous days or longer without creditable prescription drug coverage, your monthly premium may go up by at least 1% of the Medicare base beneficiary premium per month for every month that you did not have that coverage. For example, if you go nineteen months without creditable coverage, your premium may consistently be at least 19% higher than the Medicare base beneficiary premium. You may have to pay this higher premium (a penalty) as long as you have Medicare prescription drug coverage. In addition, you may have to wait until the following October to join.

**For More Information About This Notice Or Your Current Prescription Drug Coverage...**

Contact the City of Jackson, Department of Personnel Management, Insurance Section. **NOTE:** You'll get this notice each year. You will also get it before the next period you can join a Medicare drug plan, and if this coverage through the City of Jackson Medical Benefit Plan changes. You also may request a copy of this notice at any time from the City of Jackson, Department of Personnel Management, Insurance Section.

**For More Information About Your Options Under Medicare Prescription Drug Coverage...**

More detailed information about Medicare plans that offer prescription drug coverage is in the "Medicare & You" handbook. You'll get a copy of the handbook in the mail every year from Medicare. You may also be contacted directly by Medicare drug plans.

For more information about Medicare prescription drug coverage:

- Visit [www.medicare.gov](http://www.medicare.gov)
- Call your State Health Insurance Assistance Program (see the inside back cover of your copy of the "Medicare & You" handbook for their telephone number) for personalized help.
- Call 1-800-MEDICARE (1-800-633-4227).  
TTY users should call 1-877-486-2048.

If you have limited income and resources, extra help paying for Medicare prescription drug coverage is available. For information about this extra help, visit Social Security on the web at [www.socialsecurity.gov](http://www.socialsecurity.gov), or call them at 1-800-772-1213 (TTY 1-800-325-0778).

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## Medicaid, Children’s Health Insurance Program (CHIP) & The Marketplace Offer Free or Low-Cost Health Coverage to Children and Families

If you are eligible for coverage through the City of Jackson Medical Benefit Plan but are unable to afford the premiums, some States have premium assistance programs that can help pay for coverage. These States use funds from their Medicaid or CHIP programs to help people who are eligible for employer-sponsored health coverage, but need assistance in paying their health premiums.

If you or your dependents are already enrolled in Medicaid or CHIP, you can contact your State Medicaid or CHIP office to find out if premium assistance is available.

If you or your dependents are NOT currently enrolled in Medicaid or CHIP, and you think you or any of your dependents might be eligible for either of these programs, you can contact your State Medicaid or CHIP office or dial **1-877-KIDS NOW** or [www.insurekidsnow.gov](http://www.insurekidsnow.gov) to find out how to apply. If you qualify, you can ask the State if it has a program that might help you pay the premiums for an employer-sponsored plan.

Once it is determined that you or your dependents are eligible for premium assistance under Medicaid or CHIP, your employer’s health plan is required to permit you and your dependents to enroll in the plan – as long as you and your dependents are eligible, but not already enrolled in the employer’s plan. This is called a “special enrollment” opportunity, and **you must request coverage within 60 days of being determined eligible for premium assistance.**

The Marketplace is designed to help you find health insurance that meets your needs and fits your budget. The Marketplace offers "one-stop shopping" to find and compare private health insurance options. You may also be eligible for a new kind of tax credit that lowers your monthly premium. For additional information or to shop for coverage, visit: [www.healthcare.gov](http://www.healthcare.gov), or call 800-318-2596.

To see if you live in a State that has a premium assistance program or for more information on special enrollment rights, you can contact:

**U.S. Department of Labor**  
Employee Benefits Security Administration  
1-866-444-3272  
[www.dol.gov/ebsa](http://www.dol.gov/ebsa)

**U.S. Department of Health & Human Services**  
Centers for Medicare & Medicaid Services  
1-877-267-2323  
[www.cms.hhs.gov](http://www.cms.hhs.gov)

**Mississippi Medicaid**  
1-800-421-2408 or 601-359-6050  
[www.medicaid.ms.gov](http://www.medicaid.ms.gov)

**Health Insurance Marketplace**  
1-800-318-2596  
[www.healthcare.gov](http://www.healthcare.gov)

**City of Jackson,  
Department of Personnel Management,  
Insurance Division  
[www.jacksonms.gov](http://www.jacksonms.gov)  
(601) 960-1051**