

**Pennsylvania State System of Higher Education**  
**PASSHE Health Plan**

**July 1, 2013**

## Introduction

Pennsylvania State System of Higher Education (the “Employer”) maintains the PASSHE Health Plan (“the Plan”) for the exclusive benefit of its eligible employees and their eligible dependents. Benefits under the Plan are currently provided under a group health insurance contract(s) (“the Group Health Insurance Contract(s)”) entered into between the Employer and various health insurance vendors (“Vendors”).

Plan benefits are summarized in the Benefit Handbooks and Benefit Summaries issued by Vendors, copies of which are available from your Human Resources Department and online, free of charge. These documents together with this document constitute the Plan Document. Capitalized terms not otherwise defined in this document are defined in the Benefit Summaries.

## Specific Plan Information

<u>Plan Name:</u>	PASSHE Health Plan
<u>Type of Plan:</u>	A group health plan.
<u>Plan Year:</u>	July 1 through June 30.
<u>Employer / Plan Sponsor:</u>	Pennsylvania State System of Higher Education 2986 North Second Street Harrisburg, PA 17110-0000
<u>Plan Funding and Type of Administration:</u>	The Plan offers coverage utilizing both self-funded and fully-insured funding arrangement.. Benefits are provided under the Group Health Insurance Contract(s) between the Employer and Vendors. Claims for benefits are sent to the Vendors, which is responsible for paying claims. The Vendors and the Employer share responsibility for administering the Plan.  Insurance premiums for employees and their eligible dependents are paid in part by the Plan Sponsor out of its general assets, and in part by employees’ payroll deductions.
<u>Plan Sponsor’s Employer Identification Number:</u>	25-1690694
<u>Plan Administrator:</u>	Pennsylvania State System of Higher Education 2986 N. Second Street Harrisburg, PA 17110 717-720-4160

Named Fiduciary: Pennsylvania State System of Higher Education  
2986 N. Second Street  
Harrisburg, PA 17110  
717-720-4160

Agent for Service of  
Legal Process: Pennsylvania State System of Higher Education  
Attn: Chief Counsel  
2986 N. Second Street  
Harrisburg, PA 17110  
717-720-4030

Service of process may also be made on the Plan Administrator.

Important Disclaimer: Plan benefits are provided under Group Health Insurance Contracts between the Employer and Vendors. If the terms of this document conflict with the terms of the Group Health Insurance Contracts, the terms of the Group Health Insurance Contracts will control, unless superseded by applicable law.

## **Eligibility**

You and your eligible dependent(s), if applicable, are eligible to participate in the Plan pursuant to the terms of the applicable collective bargaining agreement (if a represented employee), or as approved by the PASSHE Board of Governors (if a non-represented employee). More detailed information regarding eligibility may be found in the applicable collective bargaining agreement, and in the benefit summaries available on the PASSHE website.

## **Special Situations, Extension of Coverage**

### Family and Medical Leave Act (FMLA)

PASSHE complies with the Family Medical Leave Act (FLMA), and provides continuation of benefits that in most cases is more generous than that required under the FMLA. If you qualify for an approved family or medical leave of absence (as defined in the FMLA), eligibility may continue if required contributions are paid toward the cost of the coverage. Your Employer has the responsibility to provide you with prior written notice of the terms and conditions under which payment must be made. Failure to make payment within 30 days of the due date established by your Employer will result in the termination of coverage. Subject to certain exceptions, if you fail to return to work after the leave of absence, your Employer has the right to recover from you any contributions toward the cost of coverage made on your behalf during the leave, as outlined in the FMLA.

If coverage is terminated for failure to make payments while you are on an approved family or medical leave of absence, coverage for you and your eligible dependents will be automatically reinstated on the date you return to employment if you and your dependents are otherwise eligible under the plan. Any waiting period for pre-existing conditions or other waiting periods will not apply. However, all accumulated annual and lifetime maximums will apply.

If you do not return to work at the end of an FMLA leave, you may be entitled to elect COBRA Continuation Coverage, even if you were not covered under the Plan during the leave. Coverage continued under this provision is in addition to coverage described below under the section entitled “Continuation Coverage (COBRA).”

*The Plan intends to comply with all existing FMLA regulations. If for some reason the information presented differs from actual FMLA regulations, the Plan reserves the right to administer the FMLA in accordance with such actual regulations.*

### Military Leave Coverage

The Uniformed Services Employment and Reemployment Rights Act (USERRA) establishes requirements that employers must meet for certain employees who are involved in the uniformed services

As used in this provision, “Uniformed Services” means:

- The Armed Forces;
- The Army National Guard and the Air National Guard when engaged in active duty for training, inactive duty training, or full-time National Guard duty (pursuant to orders issued under federal law);
- The commissioned corps of the Public Health Service; and
- Any other category of persons designated by the President in time of war or national emergency.

As used in this provision, “Service in the Uniformed Services” or “Service” means the performance of a duty on a voluntary or involuntary basis in a Uniformed Service under competent authority and includes:

- Active duty;
- Active duty for training;
- Initial active duty training;
- Inactive duty training;
- Full-time National Guard duty,
- A period for which you are absent from your job for purpose of an examination to determine your fitness to perform any such duties;
- A period for which you are absent from your job for the purpose of performing certain funereal honors duty; and
- Certain service by intermittent disaster response appointees of the National Disaster Medical System (NDMS).

If you were covered under this Plan immediately prior to taking a leave for Service in the Uniformed Services, you may elect to continue your coverage under USERRA for up to 24 months from the date your leave for uniformed service began, if you pay any required contributions toward the cost of the coverage during the leave. This USERRA continuation coverage will end earlier if one of the following events takes place:

- 1) You fail to make a premium payment within the required time;
- 2) You fail to report to work or to apply for reemployment within the time period required by USERRA following the completion of your service; or
- 3) You lose your rights under USERRA, for example, as a result of a dishonorable discharge.

If the leave is 30 days or less, your contribution amount will be the same as for active employees. If the leave is longer than 30 days, the required contribution will not exceed 102% of the cost of coverage. Coverage continued under this provision runs concurrently with coverage described below under the section entitled “COBRA Continuation Coverage.”

If your coverage under the Plan terminated because of your Service in the Uniformed Services, your coverage will be reinstated on the first day you return to employment if you are released under honorable conditions and you return to employment within the time period(s) required by USERRA.

When coverage under this Plan is reinstated, all of the Plan’s provisions and limitations will apply to the extent that they would have applied if you had not taken military leave and your coverage had been continuous. This waiver of limitations does not provide coverage for any illness or injury caused or aggravated by your military service, as determined by the VA. (For complete information regarding your rights under USERRA, contact your Employer.)

*The Plan intends to comply with all existing regulations of USERRA. If for some reason the information presented in the Plan differs from the actual regulations of USERRA, the Plan reserves the right to administer the plan in accordance with such actual regulations.*

### **COBRA Continuation Coverage**

COBRA Continuation Coverage is a continuation of Plan coverage when coverage would otherwise end because of a life event known as a “qualifying event.” The following are qualifying events:

- Termination of your employment for any reason except gross misconduct. Coverage may continue for you and/or your eligible dependents;
- A reduction in your hours. Coverage may continue for you and/or your eligible dependents;
- Your death. Coverage may continue for your eligible dependents;
- Your divorce or legal separation. Coverage may continue for your eligible dependents;

- Your becoming entitled to Medicare. Coverage may continue for your eligible dependents; and
- Your covered dependent child's ceasing to be a dependent child under the Plan. Coverage may continue for that dependent.

Note: To choose this continuation coverage, an individual must be covered under the Plan on the day before the qualifying event. In addition, your newborn child or child placed for adoption with you during a period of continuation coverage will remain eligible for continuation coverage for the remaining period of coverage even if you and/or your spouse terminate continuation coverage following the child's birth or placement for adoption.

### Notification Requirements

Under the law, you or the applicable dependent has the responsibility to inform the Plan Administrator, in writing, within 60 days of a divorce or legal separation or of a child losing dependent status under the Plan. Failure to provide this written notification within 60 days will result in the loss of continuation coverage rights.

Your Employer has the responsibility to notify the Plan Administrator of your death, termination of employment, reduction in hours, or entitlement to Medicare within 30 days of the qualifying event.

Subject to the Plan Administrator being informed in a timely manner of the qualifying events described in the above paragraphs, the Plan will promptly notify you and other qualifying individual(s) of their continuation coverage rights. You and any applicable dependents must elect continuation coverage within 60 days after Plan coverage would otherwise end, or, if later, within 60 days of the notice of continuation coverage rights. Failure to elect continuation coverage within this 60-day period will result in loss of continuation coverage rights.

### Trade Act of 2002

If you qualify for Trade Adjustment Assistance (TAA) as defined by the Trade Act of 2002, you will be provided with an additional 60 day enrollment period, with continuation coverage beginning on the date of such TAA approval.

### Notice of Unavailability of Continuation Coverage

If the Plan Administrator receives a notice of a qualifying event from you or your dependent and determines that the individual (you or your dependent) is not entitled to continuation coverage, the Plan Administrator will provide to the individual an explanation as to why the individual is not entitled to continuation coverage. This notice will be provided within the same time frame that the Plan Administrator would have provided the notice of right to elect continuation coverage.

### Maximum Period of Continuation Coverage

The maximum period of continuation coverage is 36 months from the date of the qualifying event, unless the qualifying event is your termination of employment or reduction in hours. In that case, the maximum period of continuation coverage is generally 18 months from the date of the qualifying event.

However, if a qualifying individual is disabled (as determined under the Social Security Act) at the time of your termination or reduction in hours or becomes disabled at any time during the first 60 days of continuation coverage, continuation coverage for the qualifying individual and any non-disabled eligible dependents who are also entitled to continuation coverage may be extended to 29 months provided the qualifying individual or dependent, if applicable, notifies the Plan Administrator in writing within the 18-month continuation coverage period and within 60 days after receiving notification of determination of disability.

If a second qualifying event occurs (for example, your death or divorce) during the 18- or 29-month coverage period resulting from your termination of employment or reduction in hours, the maximum period of coverage will be computed from the date of the first qualifying event, but will be extended to the full 36 months if required by the subsequent qualifying event.

A special rule applies if the qualifying individual is your spouse or dependent child whose qualifying event was the termination or reduction in hours of your employment and you became entitled to Medicare within 18 months before such qualifying event. In that case, the qualifying individual's maximum period of continuation coverage is the longer of 36 months from the date of your Medicare entitlement or their otherwise applicable maximum period of coverage.

#### Cost of Continuation Coverage

The cost of continuation coverage is determined by the Employer and paid by the qualifying individual. If the qualifying individual is not disabled, the applicable premium cannot exceed 102 percent of the Plan's cost of providing coverage. The cost of coverage during a period of extended continuation coverage due to a disability cannot exceed 150 percent of the Plan's cost of coverage.

Premium payments for continuation coverage for you or your eligible dependent's "initial premium month(s)" are due by the 45th day after electing continuation coverage. The "initial premium month(s)" are any month that ends on or before the 45th day after you or the qualifying individual elects continuation coverage. All other premiums are due on the first of the month for which coverage is sought, subject to a 30-day grace period. Premium rates are established by your Employer and may change when necessary due to Plan modifications. The cost of continuation coverage is computed from the date coverage would normally end due to the qualifying event.

Failure to make the first payment within 45 days or any subsequent payment within 30 days of the established due date will result in the permanent cancellation of continuation coverage.

#### When Continuation Coverage Ends

Continuation of coverage ends on the earliest of:



1. The date the maximum continuation coverage period expires;
2. The date your Employer no longer offers a group health plan to any of its employees;
3. The first day for which timely payment is not made to the Plan;
4. The date the qualifying individual becomes covered by another group health plan.  
However, if the new plan contains an exclusion or limitation for a pre-existing condition of the qualifying individual, continuation coverage will end as of the date the exclusion or limitation no longer applies;
5. The date the qualifying individual becomes entitled to coverage under Medicare; and
6. The first day of the month that begins more than 30 days after the qualifying individual who was entitled to a 29-month maximum continuation period is subject to a final determination under the Social Security Act that he or she is no longer disabled.

Note: The Health Insurance Portability and Accountability Act of 1996 (HIPAA) requires that all health insurance carriers that offer coverage in the individual market accept any eligible individuals who apply for coverage without imposing a pre-existing condition exclusion. In order to be eligible to apply for such coverage from a carrier after ceasing participation in the Plan, you or your eligible dependents must elect continuation coverage under the Plan, continue through the maximum continuation coverage period (18, 29, or 36 months, as applicable), and then apply for coverage with the individual insurance carrier before a 63 day lapse in coverage. For more information about your right to such individual insurance coverage, contact an independent insurance agent or your state insurance commissioner.

#### Notice of Termination Before Maximum Period of COBRA Coverage Expires

If continuation coverage for a qualifying individual terminates before the expiration of the maximum period of continuation coverage, the Plan Administrator will provide notice to the individual of the reason that the continuation coverage terminated, and the date of termination. The notice will be provided as soon as practicable following the Plan Administrator's determination regarding termination of the continuation coverage.

*The Plan intends to comply with all applicable law regarding continuation (COBRA) coverage. If for some reason the information presented in this Plan differs from actual COBRA requirements, the Plan reserves the right to administer COBRA in accordance with such actual COBRA requirements.*

#### **Plan Benefits**

The Plan provides eligible employees and their eligible dependents with health insurance. These benefits are provided under the Group Health Insurance Contracts with the Vendors. A summary of the benefits provided under the Plan is available online and from your Human Resources office.

The Plan, through the Group Health Insurance Contract, provides benefits in accordance with the applicable requirements of federal laws, such as Consolidated Omnibus Budget Reconciliation Act (COBRA), Health Insurance Portability Accountability Act (HIPAA), Newborns' and Mothers' Health Protection Act (NMHPA), Mental Health Parity Act (MHPA), and the Women's Health and Cancer Rights Act (WHCRA).



## **Plan Administration**

The administration of the Plan is under the supervision of the Plan Administrator. The principal duty of the Plan Administrator is to see that the Plan is carried out, in accordance with its terms, for the exclusive benefit of persons entitled to participate in the Plan without discriminating among them.

The Plan operates under both self-insured and fully-insured funding arrangements. Benefits are provided under the Group Health Insurance Contracts entered into between the Employer and the Vendors. Claims for benefits are sent to the Vendors, and the Vendors are responsible for paying them on behalf of the Employer. The Vendors are also responsible for determining eligibility for and the amount of any benefits payable under the Plan and prescribing claims procedures and forms to be followed to receive Plan benefits. The Vendors also have the discretionary authority to require participants to furnish with such information as they determine is necessary for the proper administration of claims for Plan benefits.

## **Claims and Appeals**

The Vendors are responsible for evaluating all benefit claims under the Plan. The Vendors will decide your claim in accordance with its reasonable claims procedures. If your claim is denied, you may appeal to the Vendor for a review of the denied claim and the Vendor will decide your appeal in accordance with its reasonable procedures. See the Benefit Handbooks for complete details regarding the Vendor's claims and appeals procedures.

## **Amendment or Termination of the Plan**

As Plan Sponsor, the Employer has the right to amend or terminate the Plan at any time. However, such right may be affected by any collective bargaining agreements that cover collectively bargained employees. You have no vested or permanent rights or benefits under the Plan. Plan benefits may change from year-to-year and you should examine the Benefit Summary provided to you each year to determine the benefits of the Plan.

## **No Contract of Employment**

The Plan is not intended to, and does not, either directly or indirectly constitute any form of employment contract or other employment arrangement between you and Employer.

## **Other Materials**

The Benefit Handbooks, Benefit Summaries and other materials (including the Member Payment Summaries, and the Provider & Facility Directories) issued by the Vendors are part of the Plan Document. Please refer to these materials for other important provisions regarding your participation in the Plan.

## **Assistance with Your Questions**


If you have any questions about the Plan, you should contact the Plan Administrator.

IN WITNESS WHEREOF, the Pennsylvania State System of Higher Education has caused this plan to be executed and its corporate seal attached thereto by its duly authorized officers on this 1<sup>st</sup> day of OCTOBER, 2014.

By:  \_\_\_\_\_

VICE CHANCELLOR FOR ADMINISTRATION AND  
Title FINANCE

ATTEST:

By:  \_\_\_\_\_