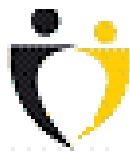


---

**PLAN DOCUMENT AND  
SUMMARY PLAN DESCRIPTION  
FOR  
KEOKUK COMMUNITY SCHOOL DISTRICT  
PARTIAL SELF-FUNDED HEALTH PLAN**

---



the right people ... the right choice

**Iowa Governmental Health Care Plan – IGHCP**  
**Claims Administrator: Employee Benefit Systems – EBS**  
**214 North Main Street, P.O. Box 1053**  
**Burlington, Iowa 52601**

## TABLE OF CONTENTS

|   |    |
|---|----|
| INTRODUCTION                              | 2  |
| PLAN OVERVIEW                             | 3  |
| SUMMARY OF PARTIAL SELF-FUNDED BENEFITS   | 4  |
| HOW TO BE COVERED UNDER THE PLAN          | 5  |
| EMPLOYEE COVERAGE                         | 5  |
| DEPENDENT COVERAGE                        | 6  |
| ANNUAL OPEN ENROLLMENT PERIOD             | 8  |
| SPECIAL ENROLLMENT PERIODS                | 8  |
| OTHER ELIGIBILITY PROVISIONS              | 10 |
| ADMINISTRATION INFORMATION                | 12 |
| CLAIMS PROCEDURES                         | 14 |
| COORDINATION OF BENEFITS                  | 18 |
| FEDERAL AND STATE CONTINUATION PROVISIONS | 21 |
| EARLY RETIREE CONTINUATION COVERAGE       | 21 |
| YOUR HIPPA/COBRA RIGHTS                   | 21 |
| GENERAL INFORMATION                       | 26 |
| ADOPTION OF THE PLAN                      | 27 |

---

## INTRODUCTION

Keokuk Community School District (the “Employer” or “Company”) is pleased to offer you this benefit plan. It is a valuable and important part of your overall compensation package.

This booklet describes your partial self-funded health benefits and serves as the Summary Plan Description (SPD) and Plan document for the Keokuk Community School District Partial Self-Funded Health Plan (“the Plan”).

This document sets forth the provisions of the Plan that provide for payment or reimbursement of Plan benefits. This is a non-ERISA plan governed by Iowa Code Chapter 509A.

We encourage you to read this booklet and become familiar with your benefits. You may also wish to share this information with your enrolled family members.

This Plan and SPD replace all previous booklets you may have in your files. Be sure to keep this booklet in a safe and convenient place for future reference.

**Important Note: Please see the Wellmark Summary Plan Description for additional benefit information, an explanation of Covered Charges under the plan, plan limitations, information for filing claims, coordination of benefits provisions, and claims appeal process.**

---

## PLAN OVERVIEW

Benefits offered through the Iowa Governmental Health Care Plan, referred to as IGHCP for employee health coverage are Partially Self-Funded (PSF). A fully insured health plan through Wellmark Blue Cross & Blue Shield of Iowa is purchased with a high Deductible and Out-Of-Pocket benefit limits. The PSF portion of the Plan processes any claims going to Wellmark's Deductible and Out-Of-Pocket requirements down to the Deductible and Out-Of-Pocket limits established by the Keokuk Community School District for their employees.

Both the Company and you share in the cost of your health care benefits. Each year, the Company will evaluate all costs and may adjust the cost of coverage during the next annual enrollment. Your enrollment materials will show the coverage categories available to you.

You pay your portion of this cost through pre-tax payroll deductions taken from your pay each pay period. Your actual cost is determined by the coverage you select and the number of dependents you cover. You must elect coverage for yourself in order to cover your eligible dependents.

It is intended that this Plan meets the requirements of the Internal Revenue Code Section 125 and the regulations thereunder and that the qualified benefits which you may elect are eligible for exclusion from income. The Plan is designed and administered in accordance with those regulations. This enables you to pay your share of the cost for coverage on a pre-tax basis. Neither the Company nor any fiduciary under the Plan will in any way be liable for any taxes or other liability incurred by you by virtue of your participation in the Plan.

Because of this favorable tax-treatment, there are certain restrictions on when you can make changes to your elections. Generally, your elections stay in effect for the Plan Year and you can make changes only during each annual open enrollment. However, at any time throughout the year, you can make changes to your coverage within 31 days following:

- The date you have a qualifying change in status as described below;
- The date you meet the Special Enrollment Rights criteria described below.

With your plan each employee receives two I.D. cards. The Wellmark card governs the fully insured portion of your plan and the IGHCP card governs the Partially Self-Funded portion of your health plan. All claims paid by the PSF plan are administered by the Claims Administrator; Employee Benefit Systems (EBS).

Any claims questions and inquiries regarding the partial self-funded portion of your Plan can be made directly to EBS relative to your benefit coverage. You may contact EBS Monday through Friday 8:00 AM to 5:00 PM central standard time at 800-373-1327.

---

## SUMMARY OF PARTIAL SELF-FUNDED BENEFITS

### Plan 2

#### Calendar Year Deductible:

|            |         |
|------------|---------|
| Per Person | \$500   |
| Per Family | \$1,000 |

#### Co-Insurance Percentage:

|                |         |
|----------------|---------|
| In Network     | 90%/10% |
| Out of Network | 80%/20% |

#### Out of Pocket Calendar Year Maximums\*:

|            |         |
|------------|---------|
| Per Person | \$2,500 |
| Per Family | \$5,000 |

*\*These amounts include Deductibles*

All other benefits will be paid from your fully-insured plan through Wellmark.

---

## HOW TO BE COVERED UNDER THE PLAN

### Employee Coverage

#### **Your Eligibility**

You are eligible for benefits if you are:

- A full-time active employee normally scheduled to work a minimum of 30 hours per week;
- On the regular payroll of the Company, and
- In a class of employees eligible for coverage.

The following individuals are not eligible for benefits: part-time employees, employees of a temporary or staffing firm, payroll agency, or leasing organization, contract employees, and other individuals who are not on the Company payroll, as determined by the Company, without regard to any court or agency decision determining common-law employment status.

#### **When Coverage Begins**

As a newly eligible employee, you will receive enrollment information when you first become eligible for benefits. To enroll in coverage, you will need to make your coverage elections by the deadline shown in your enrollment materials. When you enroll in the Plan, you authorize the Company to deduct any required premiums from your pay.

Your coverage begins on the first day of the month following date of hire and after you meet all eligibility requirements.

The elections you make will remain in effect until the next June 30, unless you have a qualifying change in status. After your initial enrollment, you will enroll during the designated annual open enrollment period. If you do not enroll for coverage when initially eligible, you will only be eligible for the default coverages designated by the Plan Administrator, as shown in your enrollment materials.

Your enrollment will be considered timely if your completed enrollment form is received within 31 days after you become eligible for coverage. You will be considered a “late entrant” if:

- You elect coverage more than 31 days after you first become eligible
- You again elect coverage after cancelling

Unless the Special Enrollment Rights apply, if you are a late entrant, you will be required to wait until the next open enrollment period (but no longer than 12 months) to enroll in coverage.

If you terminate employment and are subsequently rehired, you will be treated as a new employee and will need to satisfy all eligibility requirements in order to be covered under the Plan.

#### **When Coverage Ends**

Your coverage under this Plan ends on the last day of the month in which your employment terminates or you cease to be an eligible employee unless benefits are extended as described below.

---

Coverage will also end for you and your covered dependents as of the date the Company terminates this Plan or, if earlier, the date you request termination of coverage for you and your covered dependents.

If your coverage under the Plan ends for reasons other than the Company's termination of all coverage under the Plan, you and/or your eligible dependents may be eligible to elect to continue coverage under the Consolidated Omnibus Reconciliation Act (COBRA) as described below.

### **Dependent Coverage**

#### **Eligible Dependents**

You may enroll your eligible dependents on your coverage. Your eligible dependents include:

- Your legal spouse;
- Your Common Law spouse;
- Your child under age 26 regardless of financial dependency, residency with you, marital status, or student status;
- Your unmarried child over age 26 and a full-time student at an accredited institution of post secondary education, such as a college, university, nursing school or trade school;
- Your unmarried child of any age who is principally supported by you and who is not capable of self-support due to a physical or mental disability that began while the child was covered by the Plan; or
- Your unmarried child of any age who is not capable of self-support due to a physical or mental disability that occurred before age 26, whose disability is continuous, and who is principally supported by you.

“Principally supported by you” means that the child is dependent on you for more than one-half of his or her support, as defined by Code Section 125 of the Internal Revenue Code.

For purposes of the Plan, your child includes:

- Your biological child;
- Your legally adopted child (including any child under age 18 placed in the home during a probationary period in anticipation of the adoption where there is a legal obligation for support);
- A step child as long as you are married to the child's natural parent;
- A foster child residing in your household;
- A child for whom you are the court-appointed legal guardian; and
- An eligible child for whom you are required to provide coverage under the terms of a Qualified Medical Child Support Order (QMCSO) or a National Medical Support Notice (NMSN).

An eligible dependent does not include:

- A person enrolled as an employee under the Plan;
- Any person who is in active military services;
- A former Spouse; or

- 
- A person who is covered as a dependent of another employee under the Plan. If you and your spouse are both employed by the Company, each of you may elect your own coverage (based on your own eligibility for benefits) or one of you may be enrolled as a dependent on the other's coverage, but only one of you may cover your dependent children.

In addition, an eligible dependent who lives outside the U.S. cannot be covered as your dependent, unless the dependent has established his or her primary residence with you.

It is your responsibility to notify the Company if your dependent becomes ineligible for coverage.

### **Proof of Dependent Eligibility**

The Company reserves the right to verify that your dependent is eligible or continues to be eligible for coverage under the Plan. If you are asked to verify a dependent's eligibility for coverage, you will receive a notice describing the documents that you need to submit. To ensure that coverage for an eligible dependent continues without interruption, you must submit the required proof within the designated time period. If you fail to do so, coverage for your dependent may be canceled retroactively.

### **Coverage for a Domestic Partner/Common Law Spouse**

You may cover your Domestic Partner/Common Law Spouse of the same or opposite gender under the Plan. When you enroll your Domestic Partner/Common Law Spouse, you will be required to provide proof that your partner meets certain eligibility guidelines. No Domestic Partner/Common Law Spouse is eligible for coverage if the Domestic Partner/Common Law Spouse is offered alternative health care coverage under the benefit plan of the Domestic Partner's/Common Law Spouse's employer. Required proof may include, but is not limited to:

- an affidavit, along with other documentation, that proves you and your partner reside at the same address, that your relationship has existed for at least 12 months, and that you and your partner are financially interdependent; and
- any other documentation as may be required by the Plan Administrator to substantiate your Domestic Partner/Common Law relationship.

### **Taxability of Dependent Benefits**

Under current tax law, you are required to be taxed on the value of health benefits provided to a dependent who does not meet the definition of a dependent under Code Section 152(d). The value of your Domestic Partner's coverage will be taxable to you and treated as "imputed income". This is the term that the IRS applies to the value of any benefit or service that is considered income for the purposes of calculating your Federal taxes. The full value of coverage will be included in your pay as taxable wages (even though you do not receive the cash). Federal income tax, FICA, state, and other applicable payroll taxes will be withheld on the value of the coverage. You should consult with your tax advisor if you have questions how this may impact your specific tax situation.

### **When Coverage Begins**

If you enroll your eligible dependents within 31 days of your initial eligibility, their coverage begins at the same time as yours.



---

Coverage for newly eligible dependents will begin on the date they become a dependent as long as you enroll them within 31 days of the date on which they became eligible. If you acquire a new dependent, such as through marriage, coverage will begin on the first day of the first month beginning after the date the completed request for enrollment is received as long as you enroll the dependent within 31 days of the date on which they became eligible. If you wait longer than 31 days, you may not be able to enroll them until the next annual open enrollment period.

A newborn child born while you are enrolled for coverage will be automatically covered for the first 31 days under your coverage. To continue coverage for your newborn child, you must enroll the child on your coverage no later than 31 days after the date of birth.

### **When Coverage Ends**

Coverage for your covered dependents ends when your coverage ends or, if earlier, on the day your dependent is no longer eligible for coverage or becomes eligible for coverage under another employer's plan. However, for dependent child who reaches limiting age, coverage ends on the last day of the month in which the child reaches the limiting age.

### **Dependents Who Lose Eligibility Due to Your Death**

If you should die while covered, your Dependents' Medical Coverage will be continued through COBRA coverage, if elected.

### **Annual Open Enrollment Period**

Each year during a designated open enrollment period, you will be given an opportunity to make your elections for the upcoming year. Your open enrollment materials will provide the options available to you and your share of the premium cost, as well as any default coverage you will be deemed to have elected if you do not make an election by the specified deadline. The elections you make will take effect on the following July 1 and stay in effect through June 30, unless you have a qualifying change in status.

### **Special Enrollment Periods**

#### **Qualifying Change in Status**

If you experience a change in certain family or employment circumstances that results in you or a covered dependent gaining or losing eligibility under a health plan, you can change your coverage to fit your new situation without waiting for the next annual open enrollment period.

As defined by the Internal Revenue Service (IRS), status changes applicable to health care coverage include:

- your marriage;
- the birth, adoption, or placement for adoption of a child;
- your death or the death of your spouse or other eligible dependent;
- your divorce, annulment, or legal separation;
- a change in a dependent child's eligibility due to age or eligibility for other coverage;
- a change in employment status for you or your spouse that affects benefits (including termination or commencement of employment, strike or lockout, or commencement of or return from an unpaid leave of absence);
- a change in your Company work location or home address that changes your overall benefit options and/or prices;

- 
- employee's spouse's open enrollment period differs and employee needs to make changes to account for other coverage;
  - a significant change in coverage or the cost of coverage;
  - a reduction or loss of your or a dependent's coverage under this or another plan;
  - a court order, such as a QMSCO or NMSN, that mandates coverage for an eligible dependent child.

If you experience a change in certain family or employment circumstances, you can change your coverage. Changes must be consistent with status changes as described above. For example, if you get married, you may change your coverage level from you only to you and your spouse. If you move, and your current coverage is no longer available in the new area, you may change your coverage option.

You should report a status change as soon as possible, but no later than 31 days after the event occurs.

You may prospectively revoke an election of coverage under a group health plan that provides minimum essential coverage (that is not a health FSA) if the following conditions are met:

- You have been in an employment status under which you were reasonably expected to average at least 30 hours of service per week and there is a change in your status so that you will reasonably be expected to average less than 30 hours of service per week after the change, even if that reduction does not result you ceasing to be eligible for coverage under the Plan; and
- You represent that the revocation of the election of coverage under the Plan corresponds to your intended enrollment, and the intended enrollment of any related individuals who cease coverage due to the revocation, in another plan that provides minimum essential coverage with the new coverage effective no later than the first day of the second month following the month that includes the date the original coverage is revoked.

You may prospectively revoke an election of coverage under a group health plan that provides minimum essential coverage (that is not a health FSA) if the following conditions are met:

- You are eligible for a Special Enrollment Period to enroll in a Qualified Health Plan through a Marketplace pursuant to guidance issued by the Department of Health and Human Services and any other applicable guidance, or you seek to enroll in a Qualified Health Plan through a Marketplace during the Marketplace's annual open enrollment period; and

You represent that the revocation of the election of coverage under the group health plan corresponds to your intended enrollment, and the intended enrollment of any related individuals who cease coverage due to the revocation, in a Qualified Health Plan through a Marketplace for new coverage that is effective beginning no later than the day immediately following the last day of the original coverage that is revoked.

### **Special Enrollment Rights**

If you decline enrollment for yourself or your dependents (including your spouse) because you have other health coverage, you may be able to enroll yourself and your dependents in this Plan, if you or your dependents lose eligibility for that other coverage (or if the employer stopped contributing towards your or your dependents' other coverage). However, you must

---

request enrollment within 31 days after your or your dependents' other coverage ends (or after the employer stops contributing toward the other coverage).

In addition, if you have a new dependent as a result of marriage, birth, adoption, or placement for adoption, you may be able to enroll yourself and your dependents. However, you must request enrollment within 31 days after the marriage, birth, adoption or placement for adoption.

You or an affected eligible dependent may also enroll in coverage if eligibility for coverage is lost under Medicaid or the Children's Health Insurance Program (CHIP), or if you become eligible for premium assistance under Medicaid or CHIP. You must enroll under this Plan within 60 days of the date you lose coverage or become eligible for premium assistance.

This "special enrollment right" exists even if you previously declined coverage under the Plan. You will need to provide documentation of the change. Contact the Plan Administrator to determine what information you will need to provide.

### **Other Eligibility Provisions**

#### **Cancellation of Coverage**

If you fail to pay any required premium for coverage under the Plan, coverage for you and your covered dependents will be canceled and no claims incurred after the effective date of cancellation will be paid.

#### **Rescission of Coverage**

Coverage under the Plan may be rescinded (canceled retroactively) if you or a covered dependent perform an act, practice, or omission that constitutes fraud, or you make an intentional misrepresentation of material fact as prohibited by the terms of the Plan.

Coverage may also be rescinded for failure to pay required premiums or contributions as required by the Plan.

Coverage may be rescinded to your date of divorce if you fail to notify the Plan of your divorce and you continue to cover your ex-spouse under the Plan. Coverage will be canceled prospectively for errors in coverage or if no fraud or intentional misrepresentation was made by you or your covered dependent. You will receive 30 days advance written notice of any cancellation of coverage to be made on a prospective basis.

The Plan reserves the right to recover from you and/or your covered dependents any benefits paid as a result of the wrongful activity that are in excess of the premiums paid. In the event the Plan terminates or rescinds coverage for gross misconduct on your behalf, continuation coverage under COBRA may be denied to you and your covered dependents.

#### **Coverage While Not at Work**

In certain situations, health care coverage may continue for you and your dependents when you are not at work, so long as you continue to pay your share of the cost. If you continue to be paid while you are absent from work, any premium payments will continue to be deducted from your pay on a pre-tax basis. If you are not receiving your pay during an absence, you will need to make arrangements for payment of any required premiums. You should discuss with your supervisor what options are available for paying your share of costs while you are absent from work.

---

**If You are Totally Disabled**

If you become totally disabled, your health care coverage may continue for disability leave up to 90 days, concurrent with any leave that is designated as FMLA, as long as you continue to pay your share of the cost.

**If You Are Temporarily Laid Off**

If you are laid off for a temporary period of time, your health care coverage will continue for up to 90 days from the date of layoff, as long as you continue to pay your share of the cost.

**If You Take a Leave of Absence – FMLA**

If you take an approved FMLA leave, your coverage will continue for the duration of your FMLA leave, as long as you continue to pay your share of the cost as required under the Company's FMLA Policy.

**If You Take a Leave of Absence – Non-FMLA**

If you take an approved leave of absence (paid or unpaid), your coverage will continue during your leave for up to 3 months, provided you continue to pay your share of the cost.

**If You Take a Military Leave of Absence**

If you are absent from work due to an approved military leave, health care coverage may continue for up to 24 months under both the Uniformed Services Employment and Reemployment Rights Act of 1994 (USERRA) and COBRA, which run concurrently, starting on the date your military services begins.

---

## ADMINISTRATION INFORMATION

### **No Obligation to Continue Employment**

The Plan does not create an obligation for the Company to continue your employment or interfere with the Company's right to terminate your employment, with or without cause.

### **Non-Alienation of Benefits**

With the exception of a Qualified Medical Child Support Order, your right to any benefit under this Plan cannot be sold, assigned, transferred, pledged or garnished. The Plan Administrator has procedures for determining whether an order qualifies as a QMCSO; participants or beneficiaries may obtain a copy without charge by contacting the Plan Administrator.

### **Severability**

If any provision of this Plan is held by a court of competent jurisdiction to be invalid or unenforceable, the remaining provisions shall continue to be fully effective.

### **Payment of Benefits**

All benefits are payable when the Plan Administrator receives written proof of loss. Benefits will be payable to the covered participant, unless otherwise assigned.

### **Payment of Benefits to Others**

The Plan Administrator, in its discretion, may authorize any payments due to be paid to the parent or legal guardian of any individual who is either a minor or legally incompetent and unable to handle his or her own affairs.

### **Expenses**

All expenses incurred in connection with the administration of the Plan, will be paid by the Plan except to the extent that the Company elects to pay such expenses.

### **Fraud**

No payments under the Plan will be made if the participant or the provider of services attempts to perpetrate a fraud upon the Plan with respect to any such claim. The Plan Administrator will have the right to make the final determination of whether a fraud has been attempted or committed upon the Plan or if a misrepresentation of fact has been made. The Plan will have the right to recover any amounts, with interest, improperly paid by the Plan by reason of fraud. Any employee or his or her covered dependent who attempts or commits fraud upon the Plan may have their coverage terminated and may be subject to disciplinary action by the Company, up to and including termination of employment.

### **Indemnity**

To the full extent permitted by law, the Company will indemnify the Plan Administrator and each other employee who acts in the capacity of an agent, delegate, or representative ("Plan Administration Employee") of the Plan Administrator against any and all losses, liabilities,

---

costs and expenses incurred by the Plan Administration Employee in connection with or arising out of any pending, threatened, or anticipated action, suit or other proceeding in which the Employee may be involved by having been a Plan Administration Employee.

### **Compliance with Federal Mandates**

The Plan is designed to comply to the extent possible with the requirement of all applicable laws, including but not limited to: COBRA, USERRA, HIPAA, the Newborns' and Mothers' Health Protection Act of 1996 (NMHPA), WHCRA, FMLA, the Mental Health Parity and Addiction Equity Act of 2008, PPACA, HITECH, Michelle's Law, and Title I of GINA.

### **Future of the Plan**

The Company expects that the Plan will continue indefinitely. However, the Company has the sole right to amend, modify, suspend, or terminate all or part of the Plan at any time.

The Company may also change the level of benefits provided under the Plan at any time. If a change is made, benefits for claims incurred after the date the change takes effect will be paid according to the revised Plan provisions. In other words, once a change is made, there are no rights to benefits based on earlier Plan provisions.

---

## CLAIMS PROCEDURES

This section describes what you must do to file or appeal a claim for services received in- and out-of-network.

**In-Network Claims** — Generally, no claim forms are necessary when you use in-network (participating) providers. Benefits for in-network covered services always are paid to the provider. If you pay the provider for a covered service, you must contact the provider to request a refund.

**Out-of-Network Claims** — If you use out-of-network (non-participating) providers, you might need to pay them when you receive services, including any coinsurance amount. You must then submit a claim form along with an itemized bill to the appropriate Claims Administrator. In most cases, the Claims Administrator will reimburse you directly. Occasionally, however, the Claims Administrator may reimburse the provider directly for covered expenses. If this happens to you and you already have paid your provider, you must request a refund from your provider.

The steps described below will guide you through the process of submitting your out-of-network claim. To obtain a form, contact your Claims Administrator. Complete a separate claim form for each covered family member who has expenses. If you already paid all or a portion of the fee to the provider, indicate the amount paid on the claim form.

For medical expenses, your Claims Administrator will send you an Explanation of Benefits (EOB) showing what the Plan covered. You may receive a bill from the provider for the remainder of the expense, which will be your responsibility to pay. Send the completed claim form to the appropriate Claims Administrator listed on your ID card along with any proof of payment (i.e., a receipt).

To be eligible for reimbursement under the Plan, a claim must be submitted within the time frames established by the Plan Administrator. Claims filed after that time may be reduced or denied. If you are unable to file a claim within the prescribed time frame, the Plan Administrator may elect to approve the claim after reviewing any extenuating circumstances if the claim is filed as soon as possible.

### **Time Frames for Processing a Claim**

Claims are divided into urgent care claims, concurrent care claims, pre-service health claims, and post-service health claims. If you or your representative fail to follow the Plan's procedures for filing a claim or if you file an incomplete claim, the Plan will notify you or your representative of the failure according to the time frames shown in the following chart.

If an initial claim is denied in whole or in part, you or your representative will receive written notice from the Plan Administrator. This notice will include the reasons for denial, the specific Plan provision involved, an explanation of how claims are reviewed, the procedure for requesting a review of the denied claim, a description of any additional material or information that must be submitted with the appeal, and an explanation of why it is necessary. If your claim for benefits is denied, you or your representative may file a written appeal for review of a denied claim with the Plan Administrator.

The chart below shows the time frames for filing different types of claims with the Plan. If you have any questions about what type of claim you may have or the timing requirements

---

that apply to your claim, please contact your Claims Administrator at the number shown on your ID cards.



### **Time Frames for Processing a Claim**

| <b>Claim Process</b>  | <b>Urgent Care Claim</b>   | <b>Concurrent Care Claim</b>   | <b>Pre-Service Health Claim</b>  | <b>Post-Service Health Claim</b>   |
|---|--|--|--|--|
| Claims Administrator determines initial claim is improperly filed (not filed according to Plan procedures) or is not complete | Within 24 hours after receipt of improper or incomplete claim (notification may be oral unless you or your representative request otherwise) | Within 24 hours after receipt of request for extension of urgent concurrent care   | Within 5 days after receipt of improper or incomplete claim (notification may be oral unless you or your representative request otherwise) | Not applicable   |
| Claims Administrator determines that you must submit additional information required to complete claim                        | Within 48 hours after receipt of notice that your claim is incomplete  | Not applicable   | Within 45 days after receipt of notice that additional information is required   | Within 45 days after receipt of notice that additional information is required   |
| Claims Administrator reviews claim and makes determination of:  |  | For urgent care claims, within 24 hours after receipt of the claim, provided request is submitted at least 24 hours prior to expiration of prescribed period of time or number of treatments. If not submitted within 24 hours prior to expiration of prescribed period of time or number of treatments, not later than 72 hours after receipt of claim.*<br><br>For non-urgent care claims, determination will be made within time frame designated for type of claim (pre- or post-service) and prior to expiration of prescribed period of time or number of treatments.* |  |  |
| complete/proper claim   | Within 48 hours after the earlier of: receipt of requested information, or at end of period allowed for you to provide information           |  | Within 15 days after the earlier of: receipt of requested information, or at end of 45-day period allowed for you to provide information   | Within 30 days after the earlier of: receipt of requested information, or at end of 45-day period allowed for you to provide information |
| initial claim   | Within 24 hours of receipt of initial claim  |  | Within 15 days of date initial claim is received   | Within 30 days of date initial claim is received   |
| Extension period,** if required due to special circumstances beyond control of Claims Administrator                           | Not applicable   | Not applicable   | Additional 15 days if Plan requires more information from you and provides an extension notice during initial 15-day period                | Additional 15 days if Plan requires more information from you and provides an extension notice during initial 30-day period              |

\* A request for extension of treatment will be deemed to be an initial claim. A reduction or termination of approved, ongoing treatment will be deemed to be an adverse claim decision. If the Claims Administrator makes an adverse decision, you will be notified of the reduction/termination within a time frame that allows you to submit an appeal and have a determination on the appeal prior to the expiration of the prescribed period of time or number of treatments.

\*\* Whenever an extension is required, the Plan must notify you before the current determination period expires. The notice must state the circumstances requiring the extension and the date a determination is expected to be made.

## How to Appeal a Claim

To appeal a denied claim or to review administrative documents pertinent to the claim, you or your representative must send a written request to the Plan. The time frames for appealing a claim are shown in the following chart.

If you or your representative submit an appeal, state why you think your claim should be reviewed and include any data, documents, questions, or comments, along with copies of itemized bills and claim forms relating to your claim. You may request, free-of-charge, copies of all documents, records, and other information relevant to your claim. A reviewer who did not make the initial claim determination will be responsible for reviewing your appeal. Also, you will be notified of any expert advice obtained on behalf of the Plan in reviewing the denied claim, regardless of whether such advice was relied upon in reviewing your claim. Such experts will not be individuals who were consulted in making the initial claim determination.

| <b>Time Frames for Appealing Denied Claims</b>                                  |   |  |   |   |
|---|---|--|---|---|
| <b>Appeal Process</b>   | <b>Urgent Care Claim</b>                            | <b>Concurrent Care Claim</b>   | <b>Pre-Service Health Claim</b>                     | <b>Post-Service Health Claim</b>                    |
| You may submit an appeal of denied initial claim to the Claims Administrator    | Within 180 days of receiving notice of denied claim | You will be notified of reduction or termination of benefit in time to submit appeal and receive determination before benefit ends | Within 180 days of receiving notice of denied claim | Within 180 days of receiving notice of denied claim |
| Claims Administrator reviews your first appeal and makes determination          | Within 72 hours after appeal is received            | Prior to reduction or termination of benefit   | Within 15 days of date appeal is received           | Within 30 days of date appeal is received           |
| You may submit a second appeal to the Plan Administrator                        | N/A   | N/A  | Within 180 days of receiving notice of denied claim | Within 180 days of receiving notice of denied claim |
| The Plan Administrator reviews your second appeal and makes final determination | N/A   | N/A  | Within 15 days of date appeal is received           | Within 30 days of date appeal is received           |

You will be notified of the Plan Administrator's decision in writing. If your claim is denied, the Plan Administrator will give you in writing the specific reason(s) that your claim was denied, the specific reference to the Plan provisions on which the denial was based, any internal rules, guidelines, protocols, or similar criteria used as basis for the decision, a statement that you will be provided, upon request and free of charge, reasonable access to, and copies of, all documents, records, and other information relevant to your claim.

The decision of the Plan Administrator shall be final and conclusive on all persons claiming benefits under the Plan, subject to applicable law.

## Exhaustion Required

If you do not file a claim, follow the claims procedures, or appeal a claim within the timeframes permitted, you will give up all legal rights, including your right to file suit in Federal court, as you will not have exhausted your internal administrative appeal rights. Participants or claimants must exhaust all remedies available to them under the Plan before bringing legal action. Additionally, legal action may not be brought against the Plan more than one year after a final decision on appeal has been reviewed under the Plan.

---

## COORDINATION OF BENEFITS

This section describes how benefits under this Plan are coordinated with other benefits to which you or a covered dependent might be entitled.

### **Non-Duplication of Benefits / Coordination of Benefits**

If a Plan participant is covered by another employer's plan, the two plans work together to avoid duplicating payments. This is called non-duplication or coordination of benefits.

Your medical benefits are coordinated with benefits from:

- the Wellmark primary group health plan;
- other employers' plans;
- certain government plans; and
- motor vehicle plans when required by law.

Non-duplication of benefits does not apply to prescription drug benefits.

### **Coordination with Medicare**

If you are actively employed after becoming eligible for Medicare, your coverage under the Plan will be coordinated with Medicare. Which plan pays first ("primary") is determined by whether your Employer is considered a small or large group employer. Generally, for large group employer plans, Medicare requires the employer's plan to pay first and Medicare pays second ("secondary"). You should check with your Employer if you become eligible for Medicare while employed to determine if your Employer's coverage will be primary or secondary.

The Plan also coordinates with Medicare as follows.

- End-stage renal disease—If you or a covered dependent is eligible for Medicare due to end-stage renal disease, this Plan will be primary for the first 30 months of dialysis treatment; after this period, this Plan will be secondary to Medicare for this disease only.
- Mandated coverage under another group plan—If a person is covered under another group plan and Federal law requires the other group plan to pay primary to Medicare, this Plan will be tertiary (third payer) to both the other plan and Medicare.

### **Coordination with Auto Insurance Plans**

First-party auto insurance coverage is considered primary. This Plan coordinates its benefits with the first-party benefits from an auto insurance plan without regard to fault for the same covered expense.

If you or your covered dependent incurs covered expenses as a result of an automobile accident (either as driver, passenger, or pedestrian), the amount of covered expenses that the Plan will pay is limited to:

- any deductible under the automobile coverage;
- any co-payment under the automobile coverage;
- any expense properly denied by the automobile coverage that is a covered expense; and
- any expense that the Plan is required to pay by law.

### **For Maximum Benefit**

Generally, claims should be filed promptly with all plans to receive the maximum allowable benefits. You must supply the claim information needed to administer coordination of benefits. If you receive

---

more payment than you should when benefits are coordinated, you will be expected to repay any overpayment.

### **Subrogation and Reimbursement**

If you or your dependent receives benefits in excess of the amount payable under the Plan, the Company has a right to subrogation and reimbursement, as defined in the following sections.

#### **Right of Recovery**

The Plan has the right to recover benefits it has paid on your or your dependent's behalf that were:

- made in error;
- due to a mistake in fact;
- advanced during the time period you were meeting the calendar year deductible; or
- advanced during the time period you were meeting the out-of-pocket maximum for the calendar year.

Benefits paid because you or your dependent misrepresented facts also are subject to recovery. If the Plan provides a benefit for you or your dependent that exceeds the amount that should have been paid, the Plan will:

- require that the overpayment be returned when requested; or
- reduce a future benefit payment for you or your dependent by the amount of the overpayment.

#### **Right to Subrogation**

The right to subrogation means the Plan is substituted to any legal claims that you may be entitled to pursue for benefits that the Plan has paid. Subrogation applies when the Plan has paid benefits for a sickness or injury for which a third party is considered responsible (e.g., an insurance carrier if you are involved in an auto accident).

The Plan will be subrogated to, and will succeed to, all rights of recovery from any or all third parties, under any legal theory of any type, for 100 percent of any services and benefits the Plan has paid on your behalf relating to any sickness or injury caused by any third party.

#### **Right to Reimbursement**

The right to reimbursement means that if a third party causes a sickness or injury for which you receive a settlement, judgment, or other recovery; you must use those proceeds to return to the Plan 100 percent of any benefits you received for that sickness or injury.

#### **Third Parties**

The following persons and entities are considered third parties:

- a person or entity alleged to have caused you to suffer a sickness, injury, or damages, or who is legally responsible for the sickness, injury, or damages; or
- any person or entity who is or may be obligated to provide you with benefits or payments under:
  - underinsured or uninsured motorist insurance;
  - medical provisions of no-fault or traditional insurance (auto, homeowners, or otherwise);
  - Workers' Compensation coverage; or
  - Any other insurance carrier or third party administrator.

---

### **When This Provision Applies To You**

If you or any of your covered dependents, or anyone who receives benefits under this plan, becomes ill or is injured and is entitled to receive money from any source, including but not limited to any party's liability insurance or uninsured/underinsured motorist proceeds, then the benefits provided or to be provided by the Plan will be paid only if you fully cooperate with the terms and conditions of the Plan.

As a condition of receiving benefits under this Plan, you agree that acceptance of benefits for you and/or your dependents is constructive notice of this provision in its entirety and agree to reimburse the Plan 100 percent of any benefits provided or to be provided without reduction for attorney's fees, costs, comparative negligence, limits of collectability or responsibility, or otherwise. You further agree that the Plan shall have an equitable lien on any funds received by you or your dependents, and/or you or your attorney, if any, from any source for any purpose and shall be held in trust until such time as the obligation under this provision is fully satisfied. If you or your dependent retains an attorney, then you and your dependents agree to only retain one who will not assert the Common Fund or Made-Whole Doctrines. Reimbursement shall be made immediately upon collection of any sum(s) recovered regardless of its legal, financial or other sufficiency. If the injured person is a minor, any amount recovered by the minor, the minor's trustee, guardian, parent, or other representative, shall be subject to this provision regardless of state law and/or whether the minor's representative has access or control of any recovery funds.

You or your covered dependent agrees to sign any documents requested by the Plan including but not limited to a reimbursement and/or subrogation agreement, or accident questionnaire, as the Plan or its agent(s) may request. You and your covered dependent also agree to furnish any other information as may be requested by the Plan or its agent(s). Failure to sign and return any requested documentation or information may result in the Plan's denial of claims. However, such failure or refusal to execute such agreements or furnish information does not preclude the Plan from exercising its right to subrogation or obtaining full reimbursement. Any settlement or recovery received, regardless of how characterized, shall first be deemed for reimbursement of expenses paid by the Plan. Any excess after 100 percent reimbursement to the Plan may be divided between you or your dependent (the covered person) and your attorney if applicable. Any accident-related claims made after satisfaction of this obligation shall be paid by you or your dependent and not the Plan.

You and/or your covered dependents agree to take no action which in any way prejudices the rights of the Plan. If it becomes necessary for the Plan to enforce this provision by initiating any action against you or your dependent (the covered person), then you and/or your dependent agree to pay the Plan's attorney's fees and costs associated with the action regardless of the action's outcome.

The Plan Administrator has sole discretion to interpret the terms of this provision in its entirety and reserves the right to make changes as it deems necessary. Furthermore, the Plan may reduce or deny any future benefits by the amount of any recovery received, but not reimbursed, by you or your covered dependent for an accident or injury for which the Plan paid benefits.

If you and/or your covered dependent take no action to recover money from any source, then you and/or your dependent agree to allow the Plan to initiate its own direct action for reimbursement.

---

## FEDERAL AND STATE CONTINUATION PROVISIONS

### **Early Retiree Continuation Coverage**

State law requires that this group plan allow qualified person who would otherwise lose coverage under the Plan as a result of Early Retirement to elect to continue group coverage under the Plan.

If you, as an active Employee, elect an early retirement (before age 65), you and your covered Dependents will be eligible to continue the Comprehensive Medical, Optical, Retail and Mail Order Prescription Drugs, and Dental Expense Coverage described in this booklet, until you, the employee, attain the age of 65. A “retired employee” is defined as an employee who is receiving a retirement benefit in accordance with Chapters 97B or 411 of the code of Iowa.

If you qualify for both state continuation for retired employees and COBRA continuation the election of one mean the rejection of the other. However, in no instance will the continuation period be less than it would be if COBRA continuation had been elected.

If you are interested in continuing your coverage under this early retirement provision, you should consult with your Employer before you retire.

### **Your HIPAA/COBRA Rights**

#### **Health Insurance Portability and Accountability Act (HIPAA)**

Title II of the Health Insurance Portability and Accountability Act of 1996, as amended, and the regulations at 45 CFR Parts 160 through 164 (HIPAA) contain provisions governing the use and disclosure of Protected Health Information (PHI) by group health plans, and provide privacy rights to participants in those plans. This section provides an overview of those rights. You will receive from the Plan Administrator a separate “Notice of Privacy Provisions” which contains additional information about how your individually identifiable health information is protected and who you should contact with questions or concerns.

HIPAA applies to medical and prescription drug plans. These plans are commonly referred to as “HIPAA Plans” and are administered to comply with the applicable provisions of HIPAA.

Protected Health Information (PHI) is information created or received by the HIPAA Plans that relates to an individual’s physical or mental health or condition (including genetic information as provided under the Genetic Information Nondiscrimination Act), the provision of health care to an individual, or payment for the provision of health care to an individual. Typically, the information identifies the individual, the diagnosis, and the treatment or supplies used in the course of treatment. It includes information held or transmitted in any form or media, whether electronic, paper, or oral.

The Plan will comply with all privacy requirements defined in the HIPAA Privacy Policy and will use or disclose PHI only if the use or disclosure is permitted or required by HIPAA Regulations and any other applicable Federal, state, or local law.

The HIPAA Plans may disclose PHI to the Plan sponsor only for limited purposes as defined in the HIPAA Privacy Rules. The Plan sponsor agrees to use and disclose PHI only as permitted or required by HIPAA. PHI may be used or disclosed for Plan administration functions that the Plan sponsor performs on behalf of the HIPAA Plans. Such functions include:

- enrollment of eligible individuals;



- 
- eligibility determinations;
  - payment for coverage;
  - claim payment activities;
  - coordination of benefits; and
  - claim appeals.

If a Plan participant wants to exercise any of his or her rights concerning PHI, he or she should contact the Claims Administrator involved with the PHI in question. The Claims Administrator will advise the Plan participant of the procedures to be followed.

The Plan will require any agents, including subcontractors, to whom it provides PHI to agree to the same restrictions and conditions that apply to the Company or Plan sponsor with respect to such information. The Company or Plan sponsor will report to the Plan any use or disclosure of PHI it knows is other than as permitted by the Plan and HIPAA Regulations.

Any HIPAA Plan will maintain policies and procedures that govern the HIPAA Plan's use and disclosure of PHI. These policies and procedures include provisions to restrict access solely to the previously listed positions/departments and only for the functions listed previously. The HIPAA Plan's policies and procedures will also include a mechanism for resolving issues of noncompliance.

In accordance with the Health Breach Notification Rule (16 CFR Part 18), the Plan sponsor agrees to notify both participants and the Federal Trade Commission of the use or disclosure of any PHI or electronic PHI provided for Plan Administration purposes that is inconsistent with the uses or disclosures provided for, or that represents a PHI Security Incident, or which the Plan sponsor or any Business Associate of the Plan sponsor becomes aware.

### **Continuing Health Care Coverage through COBRA**

In special situations, you or your covered dependent(s) may continue health care coverage at your or your dependent's expense when it otherwise would end. The Consolidated Omnibus Budget Reconciliation Act (COBRA) allows a continuation of health care coverage to qualified beneficiaries for a specific length of time. This section provides an overview of COBRA continuation coverage. The coverage described may change as permitted or required by applicable law. When you first enroll in coverage, you will receive from the Plan Administrator/COBRA Administrator your initial COBRA notice. This notice and subsequent notices you receive will contain current requirements applicable for you to continue coverage.

The length of COBRA continuation (COBRA coverage) depends on the reason that coverage ends, called the "qualifying event." These events and the applicable COBRA continuation period are described below.

If you and/or your eligible dependent(s) choose COBRA coverage, the Company is required to offer the same coverage that is offered to similarly situated employees. Proof of insurability is not required to elect COBRA coverage. In other words, you and your covered dependents may continue the same health coverage you had under the Plan before the COBRA qualifying event.

If you have a new child during the COBRA continuation period by birth, adoption, or placement for adoption, your new child is considered a qualified beneficiary. Your new child is entitled to receive coverage upon his or her date of birth, adoption, or placement for adoption, provided you enroll the child within 30 days of the child's birth/adoption/placement for adoption. If you do not enroll the child

---

under your coverage within 30 days, you will have to wait until the next open enrollment period to enroll your child.

### **COBRA Qualifying Events and Length of Coverage**

Each person enrolled in benefits will have the right to elect to continue health benefits upon losing health benefits. Qualifying events and the length of COBRA continuation are as follows:

#### **18-Month Continuation**

Health care coverage for you and your eligible dependent(s) may continue for 18 months after the date of the qualifying event if your:

- employment ends for any reason other than gross misconduct; or
- hours of employment are reduced.

#### **18-Month Continuation Plus 11-Month Extension**

If you or your eligible dependent is disabled at the time your employment ends or your hours are reduced, the disabled person may receive an extra 11 months of coverage in addition to the 18-month continuation period (for a total of 29 months of coverage). If the individual entitled to the disability extension has non-disabled family members who have COBRA coverage due to the same qualifying events, those non-disabled family members will also be entitled to the 11-month extension, including any child born or place for adoption within the first 60 days of COBRA coverage.

The 11-month extension is available to any COBRA participant who meets all of the following requirements:

- He or she becomes disabled before or within the first 60 days of the initial 18-month coverage period; and
- He or she notifies the Plan Administrator (or its designated COBRA Administrator) within 60 days of the date on the Social Security Administration determination letter, and provides a copy of the disability determination; and
- He or she notifies the Plan Administrator (or its designated COBRA Administrator) before the initial 18-month COBRA coverage period ends.

You must also notify the Plan Administrator (or its designated COBRA Administrator) within 30 days of the date Social Security Administration determines that you or your dependent is no longer disabled.

#### **36-Month Continuation**

Coverage for your eligible dependent(s) may continue for up to 36 months if coverage is lost due to your:

- Death;
- Divorce or legal separation;
- Eligibility for Medicare coverage; or
- Dependent child's loss of eligible dependent status under this Plan.

Note: If any of these events (other than Medicare entitlement) occur while your dependents are covered under COBRA (because of an 18-month or 18-month plus extension qualifying event), coverage for the second qualifying event may continue for up to a total of 36 months from the date of the first COBRA qualifying event. In not case, however, will COBRA coverage be continued for more than 36 months in total.



---

If you become eligible for Medicare before a reduction in hours or your employment terminates, coverage for your dependents may be continued for up to 18 months from the date of your reduction in hours or termination of employment, or for up to 36 months from the date you became covered by Medicare, whichever is longer.

### **COBRA Notifications**

If you or your covered dependents lose coverage under the Plan because your employment status changes, you become entitled to Medicare, or you die, the Plan Administrator (or its designated COBRA administrator) will automatically provide you or your dependents with additional information about COBRA continuation coverage, including what actions you must take by specific deadlines.

If your covered dependent loses coverage as a result of your divorce, legal separation or a dependent child's loss of eligibility under the Plan, you or your dependent must notify the Company within 60 days of the qualifying event. The Plan Administrator (or its designated COBRA administrator) will automatically send you or your dependent, as applicable, COBRA enrollment information. If you or your dependent fails to provide notification of the event within 60 days, you or your dependent forfeits all continuation of coverage rights under COBRA. To continue COBRA coverage, you and/or your eligible dependents must elect and pay the required cost for COBRA coverage.

### **Cost of COBRA Coverage**

You or your eligible dependent pays the full cost for coverage under COBRA, plus an administrative fee of two percent, or 102 percent of the full premium cost, except in the case of an 11-month disability extension where you must pay 150 percent of the full premium cost for coverage.

### **COBRA Continuation Coverage Payments**

Each qualified beneficiary may make an independent coverage election. You must elect COBRA coverage by completing and returning your COBRA enrollment form as instructed in your enrollment materials within 60 days of the date you receive information about your COBRA rights or, if later, the date of your qualifying event.

The first COBRA premium payment is due no later than 45 days from the date COBRA coverage is elected. Although COBRA coverage is retroactive to the date of the initial qualifying event, no benefits will be paid until the full premium payment is received. Each month's premium is due prior to the first day of the month of coverage. You or your dependent is responsible for making timely payments.

If you or your dependent fails to make the first payment within 45 days of the COBRA election, or subsequent payments within 30 days of the due date (the grace period), COBRA coverage will be canceled permanently, retroactive to the last date for which premiums were paid. COBRA coverage cannot be reinstated once it is terminated. Other important information you need to know about the required COBRA coverage payments follows.

COBRA premium payments that are returned by the bank for insufficient funds will result in termination of your COBRA coverage if a replacement payment in the form of a cashier's check, certified check, or money order is not made within the grace period.

COBRA premium payments must be mailed to the address indicated on your premium notice. Even if you do not receive your premium notice, it is your responsibility to contact the COBRA administrator.

---

Your COBRA coverage will end if payment is not made by the due date on your notice. It is your responsibility to ensure that your current address is on file.

You may be eligible for state or local assistance to pay the COBRA premium. For more information, contact your local Medicaid office or the office of your state insurance commissioner.

### **How Benefit Extensions Impact COBRA**

If you have a qualifying event that could cause you to lose your coverage, the length of any benefit extension period is generally considered part of your COBRA continuation coverage period and runs concurrently with your COBRA coverage.

If you take a leave under the Family and Medical Leave Act (FMLA), COBRA begins:

- At the end of the leave if you do not return after the leave; or
- On the date of termination if you decide to terminate your employment during the leave.

### **When COBRA Coverage Ends**

COBRA coverage for a covered individual will end when any of the following occur:

- The premium for COBRA coverage is not paid on a timely basis (monthly payments must be postmarked within the 30-day grace period, your initial payment must be postmarked within 45 days of your initial election).
- The maximum period of COBRA coverage, as it applies to the qualifying event, expires.
- The individual becomes covered under any other group medical plan, even though the subsequent plan has a pre-existing condition exclusion, so long as the individual has enough creditable coverage to satisfy the subsequent plan's pre-existing condition exclusion. If the individual does not have enough creditable coverage to meet the new plan's requirement, he or she may continue to purchase COBRA coverage until the earlier of the day he or she is eligible for the new coverage, or 36 months.
- The individual becomes entitled to Medicare.
- The Company terminates its group health plan coverage for all employees.

Social Security determines that an individual is no longer disabled during the 11-month extension period.

---

## GENERAL PLAN INFORMATION

### **Type of Administration**

The Plan is a Partial Self-Funded Health Plan and the claims administration is provided through a third party Claims Administrator. The funding for the benefits is derived from the funds of the Employer and contributions made by covered Employees. The Plan is not insured.

**Plan Name:** Keokuk Community School District Partial Self-Funded Health Plan

**Tax ID Number:** 42-6002226

**Plan Effective Date:** July 1, 2006

**Amended and Restated:** July 1, 2015

**Plan Year:** July 1 - June 30

### **Employer Information:**

Keokuk Community School District  
1721 Fulton Street  
Keokuk, IA 52632  
319-524-1402

### **Plan Sponsor and Administrator:**

Keokuk Community School District  
1721 Fulton Street  
Keokuk, IA 52632  
319-524-1402

### **Named Fiduciary:**

Keokuk Community School District  
Attn: Business Manager  
1721 Fulton Street  
Keokuk, IA 52632  
319-524-1402

### **Agent for Service of Legal Process:**

Keokuk Community School District  
Attn: Business Manager  
1721 Fulton Street  
Keokuk, IA 52632  
319-524-1402

### **Claims Administrator:**

Employee Benefit Systems  
214 North Main Street  
P.O. Box 1053  
Burlington, IA 52601  
(319) 752-3200 or (800) 373-1327

---

**ADOPTION OF THE PLAN**

The Keokuk Community School District Partial Self-Funded Health Plan, effective July 1, 2006, as amended and restated herein, is hereby adopted as of July 1, 2015. This document constitutes the basis for administration of the Plan.

IN WITNESS WHEREOF, the parties have caused this document to be executed on this \_\_\_\_\_ day of \_\_\_\_\_, 2015.

BY: \_\_\_\_\_

TITLE: \_\_\_\_\_