SUMMARY OF MATERIAL MODIFICATIONS
TO THE
CHIPPEWA FALLS AREA UNIFIED SCHOOL DISTRICT
EMPLOYEE BENEFIT PLAN

This Summary of Material Modifications ("SMM") amends certain provisions of your Summary Plan Description ("SPD") for the Chippewa Falls Area Unified School District Plan (the "Plan"). Please review this SMM carefully to familiarize yourself with the changes and please attach this SMM to the front of your SPD.

The following changes to the plan have been approved and are effective July 1, 2015:

1. **Schedule of Benefits – Standard Plan & HDHP** – added chiropractic visitation limit.

BENEFIT DESCRIPTION	**PREFERRED PROVIDER**	**NON-PREFERRED PROVIDER** (Subject to Usual and Customary and Reasonable Charges)
Chiropractic/Spinal Manipulation Includes office visit, x-rays, manipulations and supportive care.	90% after Deductible	80% after Deductible
Calendar Year maximum benefit	18 visits	

2. **Schedule of Benefits – Standard Plan and HDHP** – amended Rx drug language for clarification.

If you are without your ID card or use a non-participating pharmacy, you must pay for the prescription and submit a claim to the Prescription Drug Card service. A completed claim form and the paid receipt must be submitted as proof of claim. If the prescription drug is covered under the plan, reimbursement will be based on 100% of submitted charges less the applicable deductible/coinsurance.

3. **Coverage and Eligibility** – amended for employer mandate.

EMPLOYEE ELIGIBILITY

You are eligible for medical coverage if you are Legally Employed and regularly scheduled to work as a full-time Employee. If you are no longer regularly scheduled to work, you will cease to be a covered Employee under this Plan.

An Employee shall be deemed regularly scheduled to work if the Employee is absent from work due to a health factor. An Employee shall be deemed regularly scheduled to work on any Employer-approved holiday or vacation provided that the Employee was working on his last regularly scheduled working day before such vacation or holiday. In no event will an Employee be considered regularly scheduled to work if he has effectively terminated employment.

The following classes of Employees are also included as eligible Employee classes for coverage:

A. Non-Variable Hour Employees who work scheduled daily shifts of less than six hours per day during the school year provided the Employee pays the full cost of the existing premium.

B. Non-Variable Hour Employees who work at least six (6) hours per day / thirty (30) hours per week or 130 hours per month during the school year, covered at the full cost of premium.

C. Teachers who hold less than a half-time teaching position provided the teacher pays the full cost of the existing premium. Teachers working half-time or more will have their benefits prorated.

D. If the Employee is a Variable Hour Employee in no event shall the amount of time worked average less than thirty (30) hours per week or 130 hours per month during a completed Measurement Period. A Variable Hour Employee will remain eligible throughout the Stability Period regardless of a change in employment status (including, but not limited to, a reduction in hours) provided the individual continues to be an Employee in accordance with the Affordable Care Act (ACA) as amended.

The following Employees shall not be eligible Employees: i) leased Employees, as defined in Code Section 414(n), ii) individuals classified by the Employer as temporary Employees due to their limited work assignment which will not exceed 90 days, iii) individuals classified by the Employer as independent contractors or leased Employees (including those who are at any time reclassified as Employees by the Internal Revenue Service or a court of competent jurisdiction).

EMPLOYEE ENROLLMENT AND EFFECTIVE DATE

This Plan is effective on the first day of the month following thirty (30) days of regular employment with the Chippewa Falls Area Unified School District, providing you enroll for coverage within (30) days following the completion of the Waiting Period unless you are a Variable Hour Employee.

Each Variable Hour Employee who has averaged the requisite Hours of Service, as defined herein, will become eligible for coverage under this Plan with respect to himself or herself upon completion of a complete Measurement Period. Coverage shall begin on the first day of the Stability Period, as defined herein.

If you do not apply to become a covered Employee by completing an enrollment form or application within the thirty (30) day period following the Waiting Period, you will only be able to enroll under this Plan during a Special Enrollment Period or Open Enrollment. This Plan will be effective on the first of the month following receipt of your enrollment form or application.

In some cases, there may be “special” circumstances that will allow an Employee to enroll for coverage. For further details on these circumstances, see the section on Special Enrollment Periods.

If you cease employment due to layoff or authorized leave of absence, participation may be continued pursuant to rules adopted by the committee and applied to all covered Employees similarly situated on a uniform basis. Notwithstanding the foregoing provision, participation may be continued for a covered Employee on an approved Disability leave of absence pursuant to rules adopted by the committee and applied on a uniform basis to all covered Employees similarly situated.

4. (Items A-B) **Coverage and Eligibility** – <u>amended</u> Item A and <u>added</u> Item B for employer mandate.

EMPLOYEE TERMINATION OF COVERAGE

Coverage will end on the earliest of the following dates:

A. the date on which the Non-Variable Employee ceases to be in a class of Employees eligible for coverage;

B. the date following the end of the Stability Period for Variable Hour Employees, if the Employee failed to qualify during the previous Measurement Period;

C. the date this Plan is amended to terminate the coverage of a class of Employees of which you are a Participant;

D. the end of the period for which you have made contributions if you fail to make the next required contribution;

E. the date this Plan is terminated with respect to the School District; and there is no successor plan;

F. the date you voluntarily elect to be terminated from this Plan subject to the pre-tax premium rules as outlined in this Plan.

Unless otherwise specified under this Plan, when coverage terminates, benefits will not be provided for any medical services after the termination date even though these services are furnished as a result of an Injury or Illness that occurred prior to the termination of coverage.

5. **Coverage and Eligibility** – added for employer mandate.

RETURNING EMPLOYEES

An Employee who is terminated and rehired will be treated as a New Employee upon rehire only if the Employee was not credited with an Hour of Service with the Employer for a period of at least 26 consecutive weeks immediately preceding the date of rehire.

A Variable Hour Employee who is terminated and rehired will be treated as an Ongoing Employee upon rehire only if the Employee break in service did not exceed 26 weeks.

Upon return, coverage will be effective the date of return, so long as all other eligibility criteria are satisfied.

For an approved leave of absence, an Employee will remain eligible for coverage under the Plan as long as the Employee is otherwise eligible (and enrolled) under the Plan. Note that for an approved leave of absence, an Employee will be treated as an Ongoing Employee, even if the Employee's absence was longer than 26 weeks.

6. **Coverage and Eligibility** – removed domestic partnerships.

DEPENDENT ELIGIBILITY

A covered Employee may choose to cover his/her dependents (as defined) under this Plan.

A. your lawfully married Spouse possessing a marriage license who is not divorced from the Employee.

B. each newborn Child of the Employee subject to the following:
   1. a newborn Child shall be considered a covered individual from and after the time of birth as to Covered Expenses which are due directly to:
      a. Injury or Illness;
      b. premature birth;
      c. a condition which exists at birth; and

2. also, a newborn Child, born while the mother is covered, who becomes covered as a dependent in accordance with the terms of the Plan, shall be covered for:
    a. routine Room and Board (or nursery) charges;
    b. routine Physician visits;
    c. circumcision.

C. a covered Employee's dependent Child may be covered until the dependent reaches their 26th birthday regardless of marital status.

D. a covered Employee's dependent Child may be covered if all of the following conditions are met:
    1. a Full-Time Student regardless of age; and,
    2. was under the age of 27 when called to federal Active Duty in the National Guard or in a reserve component of the U.S. armed forces while a Full-Time Student at an institution of higher education.

E. a covered Employee's dependent grandchild(ren) are eligible for coverage under this Plan until your dependent Child reaches age 18 or marries, whichever occurs first.

If both parents are covered under this Plan as Employees, a Child can be covered as a dependent of only one parent. No one covered under this Plan as an Employee can also be covered as a dependent.

7. (Items D-E) **Coverage and Eligibility** – amended Item D and added Item E for employer mandate.

DEPENDENT TERMINATION OF COVERAGE

Dependents' coverage will end on the earliest of the following dates:

A. the date on which your coverage the date on which he/she ceases to be a dependent, as defined by this Plan;

B. the end of the period for which you have made contributions for a dependent's coverage if you fail to make the next required contribution;

C. in the event of a legal separation or divorce, coverage for your Spouse will cease on the date in which the event occurred;

D. the date the covered dependent, other than a dependent Child, ceases to be in a class of dependents eligible for coverage;

E. the end of the month the covered dependent Child ceases to be eligible for coverage;

F. the date this Plan is terminated with respect to the School District, and there is no successor plan;

G. the date the Retiree turns age 65;

H. the date the covered dependent voluntarily elects to be terminated from this Plan subject to the pre-tax premium rules as outlined on in this Plan; or

Unless otherwise specified under this Plan, when coverage terminated, benefits will not be provided for any medical services after the termination date even though these services are furnished as a result of an Injury that occurred prior to termination of coverage.

8. **How the Medical Plan Works** – removed section and replaced as follows for clarification:

DESCRIPTION OF MEDICAL BENEFITS

Individual Deductible – Standard Plan and HDHP

If you have individual coverage, unless otherwise specified, you will be responsible for individual Calendar Year deductible amount specified in the schedule of benefits before any benefits will be paid by this Plan.

Family Deductible – Standard Plan (Embedded)

If you choose to take family coverage, each covered family member only needs to satisfy his or her individual Deductible, not the entire family Deductible, prior to receiving plan benefits. For example, if there is a family Deductible of $3,000 with an individual Embedded Deductible of $1,500, then when any one individual family member reaches $1,500 in expenses, their benefit plan coverage takes effect.

Family Deductible – HDHP (Non-Embedded)

If you choose to take family coverage, the entire family Deductible must be met before benefit plan coverage takes effect, by any one or a combination of family members. The individual Deductible is not included within the family Deductible.

Coinsurance

Once you have paid your Calendar Year deductible, this Plan will pay the coinsurance percentages outlined in the schedule of benefits.

Maximum Out-of-Pocket

There are limits on how much you will have to pay per individual, or per family, in allowable medical expenses per Calendar Year. The schedule of benefits specifies what the maximum out-of-pocket includes and what it excludes. The maximum out-of-pocket never includes ineligible charges. Once you meet the maximum out-of-pocket, this Plan pays 100% of the Allowable Expenses.

9. (Item T) **Covered Expenses** – amended mental health benefit for clarification.

T. Treatment of Nervous and Mental conditions and alcohol/drug dependency

1. **Inpatient Benefits**
   Payment will be made for Reasonable charges made by the Hospital, institution or facility for such care and treatment or by licensed professionals under the supervision of a Physician in connection therewith. Treatment includes residential treatment services.
2. **Outpatient Benefits**
   Payment will be made for Reasonable charges made by such Hospital, institution or Outpatient facility approved by the Department of Health and Social Services for such care and treatment or by a Physician, a Psychologist or a licensed certified Social Worker in connection therewith. Treatment includes but is not limited to: partial confinement, prescribed drugs (refer to prescription drug benefit) and collateral family consultations.

10. (Item U) **Covered Expenses** – added chiropractic visitation limit.

U. Chiropractic therapy as follows:

Spinal manipulations and adjustments; Physical Therapy involving the spine; traction; inversion therapy; hot or cold packs; electric stimulation therapy; vaso-pneumatic devices; diathermy; therapeutic exercise; neuromuscular re-education; gait therapy; thermography; biofeedback therapy; hydrocollator therapy; and passive motion therapy.

Chiropractic care (exams, manipulations and adjustments) is limited to 18 visits per Calendar Year per participant.

11. (Item 38) **Charges Not Covered** – amended for clarification.

38. services that are not "Reasonable," or are required to treat Illness or Injuries arising from and due to a Provider's error, wherein such Illness, Injury, infection or complication is not reasonably expected to occur. This exclusion will apply to expenses directly or indirectly resulting from circumstances that, in the opinion of the Plan Administrator in its sole discretion, gave rise to the expense and that are not generally foreseeable or expected amongst professionals practicing the same or similar type(s) of medicine as the treating Provider whose error caused the loss(es).

12. (Item E) **Exclusions and Limitations** – amended for clarification.

E. charges for e-mail or telephone consultations, completion of claim forms, charges associated with missed appointments.

13. **Definitions** – amended/added for clarification.

ADMINISTRATIVE PERIOD means a period of time selected by the Employer beginning immediately following the end of the Measurement Period and ending immediately before the start of the associated Stability Period. This period of time is used by the Employer to determine if Variable Hour Employees and/or Ongoing Employees are eligible for coverage and, if so, to make an offer of coverage.

APPROVED CLINICAL TRIAL means a phase I, II, III or IV trial that is federally funded by specified agencies (National Institutes of Health, CDCP, Agency for Health Care Research, Centers for Medicare and Medicaid Services ("CMS"), Dept. of Defense or Veterans Affairs, or a non-governmental entity identified by NIH guidelines) or is conducted under an Investigational new drug application reviewed by the FDA (if such application is required).

The Affordable Care Act requires that if a "qualified individual" is in an "Approved Clinical Trial," the Plan cannot deny coverage for related services ("routine patient costs").

A "qualified individual" is someone who is eligible to participate in an "Approved Clinical Trial" and either the individual's doctor has concluded that participation is appropriate or the Participant provides medical and scientific information establishing that their participation is appropriate.

"Routine patient costs" include all items and services consistent with the coverage provided in the plan that is typically covered for a qualified individual who is not enrolled in a clinical trial. Routine patient costs do not include 1) the investigational item, device or service itself; 2) items and services that are provided solely to satisfy data collection and analysis needs and that are not used in the direct clinical management of the patient; and 3) a service that is clearly inconsistent with the widely accepted and established standards of care for a particular diagnosis. Plans are not required to provide benefits for routine patient care services provided outside of the plan's network area unless out-of-network benefits are otherwise provided under the plan.

CHILD means, in addition to the Employee's own blood descendant of the first degree or lawfully adopted Child, a Child placed with a covered Employee in anticipation of adoption, a covered Employee's Child who is an Alternate Recipient under a Qualified Medical Child Support Order as required by the Federal Omnibus Budget Reconciliation Act of 1993, any stepchild, an "eligible foster Child," which is defined as an individual placed with the Employee by an authorized placement agency or by judgment, decree or other order of a court of competent jurisdiction or any other Child for whom the Employee has obtained legal guardianship.

EMPLOYEE means an individual: (1) whose relationship to an Employer is within the meaning of "Employee" for federal tax withholding purposes; (2) who is authorized to work in the United States; and (3) who is not a leased Employee, treated as an independent contractor by an Employer, or otherwise compensated by an Employer outside of its normal payroll. A former Employee may be treated as an Employee hereunder during the time that such individual is a COBRA continuee.

EXPERIMENTAL or INVESTIGATIONAL means services or treatment that are not widely used or accepted by most or lack credible evidence to support positive short or long-term outcomes from those services or treatments and that are not the subject of, or in some manner related to, the conduct of an Approved Clinical Trial, as such term is defined herein; these services are not included under or as Medicare reimbursable procedures, and include services, supplies, care procedures, treatments or courses of treatment which:

1. do not constitute accepted medical practice under the standards of the case and by the standards of a Reasonable segment of the medical community or government oversight agencies at the time rendered; or
2. are rendered on a research basis as determined by the United States Food and Drug Administration and the AMA's Council on Medical Specialty Societies.

A drug, device, or medical treatment or procedure is Experimental:

1. if the drug or device cannot be lawfully marketed without approval of the U.S. Food and Drug Administration and approval for marketing has not been given at the time the drug or device is furnished;
2. if reliable evidence shows that the drug, device or medical treatment or procedure is the subject of ongoing Phase I, II, or III clinical trials under study to determine its:
    a. maximum tolerated dose;
    b. toxicity;
    c. safety;
    d. efficacy; and
    e. efficacy as compared with the standard means of treatment or diagnosis; or
3. if reliable evidence shows that the consensus among experts regarding the drug, device, or medical treatment or procedure is that further studies or clinical trials are necessary to determine its:
    a. maximum tolerated dose;
    b. toxicity;
    c. safety;
    d. efficacy; and
    e. efficacy as compared with the standard means of treatment or diagnosis.

Reliable evidence shall mean:

1. only published reports and articles in the authoritative medical and scientific literature;
2. the written protocol or protocols used by the treating facility or the protocol(s) of another facility studying substantially the same drug, device, or medical treatment or procedure; or
3. the written informed consent used by the treating facility or by another facility studying substantially the same drug, device, or medical treatment or procedure.

The Plan Administrator retains maximum legal authority and discretion to determine what is Experimental.

HOUR OF SERVICE means each hour for which an Employee is paid, or entitled to payment, for the performance of duties for the Employer, and each hour for which an Employee is paid, or entitled to payment by the Employer, for a period of time during which no duties are performed due to vacation, holiday, illness, incapacity (including disability), layoff, jury duty, military duty or leave of absence.

LEGALLY EMPLOYED means the Employee has presented valid documentation to the Employer showing evidence of his/her authorization to work in the United States.

MAXIMUM AMOUNT and/or MAXIMUM ALLOWABLE CHARGE means the benefit payable for a specific coverage item or benefit under the Plan. Maximum Allowable Charge(s) will be:

1. the Usual and Customary amount;
2. the allowable charge specified under the terms of the Plan;
3. the Reasonable charge specified under the terms of the Plan;
4. the negotiated rate established in a contractual arrangement with a Provider; or
5. the actual billed charges for the covered services.

The Plan will reimburse the actual charge billed if it is less than the Usual and Customary amount. The Plan has the discretionary authority to decide if a charge is Usual and Customary and for a Medically Necessary and Reasonable service.

MEASUREMENT PERIOD means a period of time selected by the Employer during which Variable Hour Employee's and/or Ongoing Employee's hours of service are tracked to determine your employment status for benefit purposes.

- Initial Measurement Period – for newly hired Variable Hour Employees, this Measurement Period will start from the date of hire and end after 12 consecutive months of service.
- Standard Measurement Period – for Ongoing Employees, this Measurement Period will start on January 1 each year and will last for 12 consecutive months.

NEW EMPLOYEE means an Employee who has not been employed for at least one complete Standard Measurement Period, or who is treated as a New Employee following a period during which the Employee was credited with zero Hours of Service.

NON-VARIABLE HOUR EMPLOYEE means an Employee reasonably expected at the time of hire to work six (6) hours per day / thirty (30) hours per week or 130 hours per month during the school year.

ONGOING EMPLOYEE means an Employee who has been employed by the Employer for at least one complete Measurement Period.

STABILITY PERIOD means a period selected by the Employer that immediately follows, and is associated with, a Standard Measurement Period or an Initial Measurement Period and the Administrative Period associated with that Standard Measurement Period or Initial Measurement Period and is used by the Employer as part of the look-back measurement method. The Stability Period is a 12-month period in which the Variable Hour Employee's and/or Ongoing Employee's eligibility status is fixed

SUBSTANCE ABUSE means any use of alcohol, any drug (whether obtained legally or illegally), and narcotic, or any hallucinogenic or other illegal substance, which produces a pattern of pathological use, causing impairment in social or occupational functioning, or which produces physiological dependency evidenced by physical tolerance or withdrawal. It is the excessive use of a substance, especially alcohol or a drug. The Diagnostic and Statistical Manual of Mental Disorders (DSM) definition is applied as follows:

1. a maladaptive pattern of substance use leading to clinically significant impairment or distress, as manifested by one (or more) of the following, occurring within a 12-month period:
    a. recurrent substance use resulting in a failure to fulfill major role obligations at work, school or home (e.g., repeated absences or poor work performance related to substance use; substance-related absences, suspensions or expulsions from school; neglect of children or household);
    b. recurrent substance use in situations in which it is physically hazardous (e.g., driving an automobile or operating a machine when impaired by substance use);
    c. craving or strong desire or urge to use a substance; or
    d. continued substance use despite having persistent or recurrent social or interpersonal problems caused or exacerbated by the effects of the substance (e.g., arguments with Spouse about consequences of intoxication, physical fights);
2. the symptoms have never met the criteria for Substance Dependence for this class of substance.

VARIABLE HOUR EMPLOYEE means an Employee, based on the facts and circumstances at the Employee's start date, whose reasonable expectation of average hours per week cannot be determined.

VIRTUAL CARE means professional evaluation and medical management services provided to patients through live, interactive audio and visual transmissions. Virtual Care is used to address non-urgent medical symptoms for patients describing new or ongoing symptoms to which Physicians respond with substantive medical advice. Virtual Care does not include services that do not involve direct in person patient contact such as telephone calls or emails.

14. **General Provisions** – removed "Right to Receive" since it is already in the document.

15. (Item 6) **HIPAA Privacy** – amended for clarification.

Disclosure of PHI to the Plan Sponsor for Plan Administration Purposes

In order that the Plan Sponsor may receive and use PHI for plan administration purposes, the Plan Sponsor agrees to:

6. Not use or disclose Genetic Information for underwriting purposes.

16. (Item 1) **HIPAA Privacy** – amended for clarification.

Instances When Required Authorization Is Needed From Participants Before Disclosing PHI

1. Most uses and disclosures of psychotherapy notes;