

Welcome to Health Tradition Health Plan!

This manual has been provided to you on behalf of Health Tradition Health Plan to assist you in the administration of your Group Health Plan. It is suggested that all persons who will handle the administration of your health plan familiarize themselves with this manual, the forms used with it, and the provisions of your health plan. The success of this plan depends largely upon the manner in which the various administrative functions are performed. Included in this manual, is a complete set of forms to simplify the administration of your group plan. Proper use of these forms will save considerable time and expense for your office.

If you have questions, do not hesitate to correspond with Health Tradition at any time. Please address all correspondence to:

Health Tradition Health Plan
c/o MMSI
4001 41st Street NW
Rochester, MN 55901-8901
1-877-832-1823

Health Tradition values your business and wants our relationship to be a successful one! Along with the health plan administration information, we have included additional information regarding the other three divisions of Franciscan Skemp Health Solutions.

Health Promotion – employers can opt to provide a range of health promotion campaigns, programming and consultative services, many services are available at no charge because you have chosen our health plan.

Occupational Health – our services are secure and confidential and are available at clinics or at the work site.

Employee Assistance Center – our professional counselors provide access to help when it's needed most.

Please feel free to contact us at 1-877-458-4873 if you have questions or are interested in any of these additional services. To learn more about Franciscan Skemp Health Solutions please visit our website at: www.franciscanskemphealthsolutions.com.

This manual describes in general terms the administrative processes for your plan. In providing these guidelines, we are not authorizing you to determine questions of coverage.

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Form Re-order Information

In This Section This section provides information on how to obtain additional plan forms and information when needed.

**Enrollment
Packets/
Administrative
Forms**

If you need new employee enrollment packets or additional administrative forms, please contact:

Kathy Reinolt 608-781-2720
Fax 608-781-4620

E-Mail Address reinolt.kathy@mayo.edu

Forms List

The Member Enrollment Form and Member Change Form can also be found on our website at www.healthtradition.com. The forms are fillable online but must be printed out for signature.

Form
Member Enrollment Form
Member Change Form
Continuation of Coverage for Handicapped Children
Notice of Right to Continue Group Health Coverage
Wisconsin Notice of Right to Continue Group Health Coverage
SXC – Drug Claim Form

Enrollment Procedures

In This Section This section outlines the enrollment process and provides examples of the Health Tradition Member Enrollment Form and Member Change Form:

- Member Enrollment Form
This form is used for:
 - New enrollments
 - Waiving coverage

- Member Change Form
This form is used for:
 - Changes
 - Termination of coverage

For questions related to this form, please contact Customer Service at 1-877-832-1823.

Examples: Please refer to the following pages for specific examples of these forms.

Enrollment Procedures (continued)

New Enrollment The following table outlines the process for submitting new employees' Member Enrollment Forms to Health Tradition.

Form Needed: **Member Enrollment Form**

Step	Description
1	<p>Ensure all enrollment forms are completed, legible, signed, and dated. The following sections of the member enrollment form must be completed for new employees:</p> <ul style="list-style-type: none"> • Top section • Employee information • Employment information • Spouse information • Eligible dependent information • Other health insurance • Medicare information • All enrollees must provide social security numbers and indicate a primary care physician • <u>Signature and date on the BACK</u> <p>Note: Member Enrollment Forms will be returned to you if sections are left incomplete.</p>
2	<p>Please make a copy of the completed Member Enrollment Form for your records.</p> <p>The Member Enrollment Form should be referenced to check effective dates of coverage and to certify claims.</p>
3	<p>Send the completed Member Enrollment Form to Health Tradition upon receipt. When an employee becomes eligible, he/she must apply for coverage within 30 days.</p> <p>Health Tradition Health Plan c/o MMSI 4001 41st Street NW Rochester, MN 55901-8901</p>

Enrollment Procedures (continued)

Waiving Coverage

The following table outlines the process for submitting forms for employees who wish to waive their right to coverage.

Form Needed: **Member Enrollment Form**

	Description
1	Ensure the Member Enrollment Form is completed, legible, signed, and dated. The following sections of the member enrollment form must be completed to waive coverage: <ul style="list-style-type: none">• Employee information• Employment information• Waiver section• <u>Signature and date on the BACK</u>
3	Please make a copy of the completed form for your records.
4	Send the completed Member Enrollment Form to: Health Tradition Health Plan c/o MMSI 4001 41 st Street NW Rochester, MN 55901-8901

Enrollment Procedures (continued)

Changes

The following table outlines the process for submitting any one or a combination of the following changes:

- Name change
- Address change
- Dependent changes (adding or deleting)
- Marriage
- Birth or adoption of a child
- Divorce
- Non-eligible age dependent
- Other insurance coverage
- Change of contract status (family to single, etc.)
- COBRA

Form Needed: **Member Change Form**

Step	Description
1	Ensure the Member Change Form is completed, legible, signed, and dated. The following sections of the member change form must be completed for changes: <ul style="list-style-type: none"> • Top section • Employee information • Applicable change section • Signature and date on the BACK
2	Make sure that the actual date of the change (i.e., divorce, death, loss of employment, children reaching maximum age limit, etc.) is included on the form and the appropriate change box is marked for the change.
3	Please make a copy of the completed form for your records.
4	Send the completed Member Change Form to: Health Tradition Health Plan c/o MMSI 4001 41 st Street NW Rochester, MN 55901-8901

Enrollment Procedures (continued)

Termination of Coverage

The following table outlines the process for submitting employee terminations. An employee's coverage may terminate for a variety of reasons enumerated by the plan, or an employee may voluntarily request termination of coverage.

Notification of terminations must be received **within 10 days of the change**. Prompt notification will ensure the most accurate billing statements possible.

Form Needed: **Member Change Form**

Step	Description
1	Ensure the Member Change Form is completed, legible, signed, and dated. The following sections of the member change form must be completed for a termination: <ul style="list-style-type: none"> • Top section • Employee information • Termination • Last day worked (if applicable) • Reason for termination • <u>Signature and date on the BACK (may be signed by representative if employee signature unavailable)</u>
2	Please make a copy of the completed form for your records.
3	Send the completed Member Change Form to: Health Tradition Health Plan c/o MMSI 4001 41 st Street NW Rochester, MN 55901-8901

Continuation of Coverage Procedures - COBRA

In This Section This section explains the continuation of coverage procedures, and provides examples of the following Health Tradition continuation of coverage forms:

- ◆ Wisconsin Notice of Right to Continue Group Health Coverage
- ◆ Notice of Right to Continue Group Health Coverage (Federal)
- ◆ Continuation of Coverage for Handicapped Children

If you have any questions regarding the continuation coverage process, please contact Customer Service at 1-877-832-1823.

Examples: Please refer to the following pages for specific examples of these forms.

Continuation of Coverage Procedures - COBRA

Continuation Of Coverage

A member whose coverage ends under the benefit plan may be entitled to elect continuation coverage in accordance with federal or state law.

Please note that COBRA imposes obligations on employers, **not** insurance companies. This information is intended to help you be aware of your obligations under the law if you wish to retain your business tax deduction for health insurance plans and is provided in summary fashion only. **We strongly recommend that you obtain advice from your legal counsel relative to the specific impact of this complex law on your organization's Group Health Plan.**

The Consolidated Omnibus Budget Reconciliation Act (COBRA) of 1985 as amended from time to time is a federal law that requires employers with 20 or more employees to offer employees and their families the opportunity to pay for a temporary extension of healthcare coverage. The law requires employers to allow employees who have lost coverage due to termination or a reduction in work hours to elect single or family coverage for 18 months under your Plan. It also requires you to allow an employee's dependents who have lost coverage due to the employee's death, divorce, legal separation, or entitlement to Medicare or the dependent children who become ineligible under the Group Plan to continue coverage under the plan for 36 months.

Wisconsin law requires that employers with 2-19 employees offer employees and their families the opportunity to pay for a temporary extension of healthcare coverage if the individual has been continuously covered under a plan for at least three months.

Continuation of Coverage Procedures - COBRA

Notification Requirements

In the event of loss of group health coverage due to an employee's death, termination (except by reason of the employee's gross misconduct), reduction of hours worked, or entitlement to Medicare, you are required to notify the employee or other qualified beneficiary of their rights to continue coverage under federal law within 14 days of the date you are notified of the event. Wisconsin law requires that notification be given within 5 days after the date the coverage would otherwise terminate.

For loss of coverage due to other qualifying events (divorce, legal separation, or a child's becoming ineligible), the employee or qualified beneficiary is required to notify you within 60 days of the qualifying event.

If the individual elects continued coverage, a copy of the COBRA form must be submitted to Health Tradition. This form should be submitted with their first payment.

Cost of Continued Coverage

The cost to continue coverage is the full amount of the employee and/or dependent premium. You are permitted by law to pay any portion of that amount, or you may charge the individual electing to continue coverage the full amount of the premium, plus a two percent (2%) administrative fee. An employee or dependent electing single coverage should be enrolled the same as a single employee. An employee or dependent enrolling with other dependents should be treated the same as an employee with family coverage.

When COBRA coverage is elected due to a qualifying event, all premiums back to the date of the qualifying event must be paid before coverage will be put in force. The first monthly premium must be received within 45 days after the date of election of coverage.

For subsequent premium payments, if an individual covered under COBRA fails to pay the required amount of premium within 31 days of the due date, you may terminate coverage for nonpayment.

If a COBRA beneficiary becomes covered under another Group Plan, you may terminate coverage, but only if the other group plan does not contain any exclusion or limitation with respect to any pre-existing conditions of such qualified beneficiary. In these cases, complete a Member Change Form terminating the COBRA coverage.

Continuation of Coverage Procedures - COBRA

COBRA continuation of coverage is extended from 18 to 29 months for a qualified individual who is determined to have been disabled under Title II (OASDI) or Title XVI (SSI) of the Social Security Act at the time of the termination or reduction in hours; **and** provides notice of the Social Security determination within 60 days of the determination of disability, but before the end of the 18 months.

Continuation of Coverage Procedures - COBRA

Submitting a COBRA Form

The following table outlines the process for completing and submitting participant requests for COBRA continuation coverage:

Forms Needed: **Member Change Form** and the appropriate COBRA form—see below:

- **Wisconsin Notice of Right to Continue Group Health Coverage**
(for groups with 2-19 employees – Wisconsin residents only)
- **Notice of Right to Continue Group Health Coverage**
(for groups with 20 or more employees)
- **Continuation of Coverage for Handicapped Children**

Step	Description
1	Member Change Form should be completed indicating change from eligible employee/dependent to COBRA (see Coverage Changes section of Member Change Form)
2	Submit Member Change Form to: Health Tradition Health Plan c/o MMSI 4001 41 st Street NW Rochester, MN 55901-8901
3	Please complete the following sections of the appropriate COBRA form before giving to the employee to sign: <ul style="list-style-type: none"> • Eligible employee or dependents name • SSN (Social Security Number) • Date • Date of termination of group coverage • Reason for termination • Employer's name and address • Monthly payment amount
4	Have employees complete, sign, and date the continuation form (electing or not electing continued coverage) within 60 days
3	If declining COBRA coverage, please keep the signed form in your file for future reference. There is no need to send these forms to Health Tradition.
4	If electing COBRA coverage, keep a copy of the completed form for your records and send original to: Health Tradition Health Plan c/o MMSI 4001 41 st Street NW Rochester, MN 55901-8901

Continuation of Coverage Procedures - COBRA

Continuation of Coverage for Handicapped Children

A handicapped child is an unmarried child who is incapable of self-sustaining employment by reason of mental retardation or physical handicap and is chiefly dependent upon the employee for support and maintenance.

In some cases, Group Enrollment Administration will also require the employee to complete the Continuation of Coverage for Handicapped Children form at time of enrollment. Additional medical records may be required.

The coverage afforded by the plan for a handicapped child will not terminate at the age specified in the plan provided proof of such child's incapacity is submitted on the form to Group Enrollment Administration within 31 days of the child's attainment of the termination age.

Also, a child who became handicapped prior to the effective date of your plan and who was covered under your prior carrier's plan on the date of its termination is eligible for coverage provided proof of incapacity is submitted at the time of enrollment.

Continuation of Coverage Procedures - COBRA

Terminating Continuation Coverage (COBRA)

The following table outlines the process for completing continuation coverage (COBRA) terminations:

Form needed: **Member Change Form**

Step	Description
1	<p>Complete the following sections of the Member Change Form:</p> <ul style="list-style-type: none"> • Top Section • Employee information • Termination section <ul style="list-style-type: none"> Check reason for termination—other Write in COBRA • <u>Signature and date on the BACK (may be signed by representative if employee signature unavailable).</u>
2	<p>Indicate the effective date of continuation coverage (COBRA) termination and the reason for termination on the form.</p>
3	<p>Please make a copy of the completed form for your records and send the original to:</p> <p>Health Tradition Health Plan c/o MMSI 4001 41st Street NW Rochester, MN 55901-8901</p>

Payment of Administration Fees

In This Section This section outlines the procedures associated with the premium billing process. The enclosed sample premium billing also provides examples of the following sections:

- Invoice
- Summary of Activity

Overview Premium billing is generally processed the third week of the month prior to the coverage month. The premium billing is due and payable on the first day of the coverage month. Please submit the top portion of the summary pages along with your payment, to ensure the payment is applied correctly.

Each month, you will receive a copy of the billing, which will consist of four parts; a Summary of Activity page and up to three separate Invoice pages. The separate invoice could consist of retroactive additions, retroactive terminations and your regular monthly billing, each on a separate page. Your plan may have one or more account, **please pay the total amount billed for each account under your plan.** Any adjustments received by MMSI. before the 15th will be processed in the next month's billing.

It is important for you to review the bill carefully, paying special attention to the *Invoice(s)*. If there are any changes (additions, deletions) to participant totals, please send a signed **Member Enrollment Form** or **Member Change Form** to Health Tradition immediately. Administrative adjustments will then be made, which will be reflected in the next month's billing. However, reimbursement adjustments for terminations older than two months are not guaranteed. ***Please do not indicate membership changes on the billing statement.***

Please contact Customer Service at 1-877-832-1823 regarding any questions that you may have on the billing process.

Payment of Administration Fees

Invoice

The following pages contain a sample billing. The first section of each account's billing is the *Invoice(s)*, which contains the member number and name, coverage period, tier, benefit package and premium amount. If applicable, there will be separate invoice pages for retroactive additions and terminations. Each invoice total will appear on the Summary of Activity page. You will receive a separate Invoice for each of the accounts under your plan.

Summary of Activity

The next section of each account's billing report is the *Summary of Activity*. The top portion of this document contains group/account information, contact person, account number, invoice date (date Health Tradition produced the billing), billing period and due date. The bottom portion is a summary of the group's activity, including any unpaid balance from prior periods, payments received, and the totals from each of the Invoice(s) pages. You will receive a separate Summary of Activity for each of the accounts under your plan.

Group Cancellation Procedure

In the event it becomes necessary to cancel your group health coverage with Health Tradition, we require written notification. **We must receive this notice on company letterhead. Please do not write notes on the billing statement.** If we do not receive written notification, the group will continued to be billed as active. The group will be subject to premium amounts until such notification is received. Failure to submit written notification of the group's intent to cancel coverage with Health Tradition may result in the group's termination for non-payment of premium.

Claims Related Forms

In This Section This section contains details related to the following Health Tradition claims related forms:

- Explanation of Benefits
- Prior Authorization
- Referral Process
- Accident Letter
- Coordination of Benefits Letter

If you have questions regarding the claims related forms, please contact Customer Service at 1-877-832-1823.

Explanation of Benefits

After Health Tradition processes claims for medical services provided, participants will be sent an Explanation of Benefits (EOB). The EOB lists the services provided, what the plan covered, and the calculation of participants' responsibility (copayments, non-covered services, and disallowed charges). An EOB is provided to the member for all claims, whether in- or out-of-network, if there is member responsibility. If the claim is paid in full by Health Tradition, an EOB will not be sent to the member.

Prior Authorization

Several benefits require a prior authorization before services can be provided (refer to the Certificate of Coverage for information about obtaining this authorization).

When Health Tradition receives a request for prior authorization, it is reviewed by appropriate personnel. Health Tradition Referral Coordinators notify the participant in writing if the request was approved, denied, or if Health Tradition needs further information.

If the participant's physician or provider made the request, they also will be notified of the decision.

Claims Related Forms

Referral Process Your health plan uses a referral process to access specialty care and services that are external to the Plan network. Your primary care physician coordinates your care to these services by completing a referral request form. Our Referral Coordinators receive the request form and it is reviewed by the Medical Director. Once reviewed, a formal letter of approval or denial is sent to the member and other appropriate contacts. Services received by a provider not in the Plan network without prior Plan approved referral will decrease insurance payment and increase direct member payment responsibility.

Accident Letter An accident letter is routinely sent to participants when the Claims Department receives a claim which indicates that an injury has occurred. The participant is instructed to complete the questionnaire and return it to Health Tradition. Claims are not processed until Health Tradition receives the form. After the third request, claims will be denied reimbursement.

Coordination of Benefits Letter Upon enrollment and re-enrollment, Health Tradition requests other insurance information from participants. If this information is not provided, Health Tradition will send an additional notice asking participants to provide the necessary information about other insurance carrier(s) or plan(s). The coordination of benefits (COB) letter is used when a participant has primary insurance with an insurance carrier/plan other than Health Tradition.

Participants are responsible for contacting Customer Service regarding the status of a claim and for mailing the explanation of benefits (EOB) from the primary insurer to Health Tradition.

When Health Tradition needs information from the participant to coordinate benefits, two letters, within a four- to six-week time period between letters, are sent to the participant. A third and final request is mailed stating that the participant has ten days in which to reply. If Health Tradition does not receive a response from the participant, claims are denied reimbursement.
