

EMPLOYEE NOTICE

Patient Protection and Affordable Care Act (PPACA) Grandfathered Status

The Patient Protection and Affordable Care Act and the Health Care and Education Reconciliation Act were signed into law March 2010. This legislation contains numerous provisions regarding the healthcare industry. Of note are those provisions affecting your health insurance coverage. Please note the following changes to your plan effective July 1, 2011.

Dependent Coverage

Dependents (to age 26) are permitted on the health plan. Tax advantages exist through the end of the year in which the dependent turns 26. Dependents need not live with the employee nor have student status. Married/unmarried dependents are eligible (spouses and children of the dependent are not eligible). If the dependent is employed and health insurance is available through that employer, the dependent is not eligible for the district's plan.

Lifetime Limits

Lifetime maximum amounts for in-network and out-of-network services are removed.

Should you have any questions regarding your benefit plan, please contact The Reschini Group at 1-800-442-8047 for assistance.

FREEDOM AREA SCHOOL DISTRICT

Grandfathered Health Plan Disclosure Notice

As set forth under the Patient Protection and Affordable Care Act (the Act), our **Freedom Area School District Group Health Plan** believes our **Highmark PPOBlue** plan is a “grandfathered health plan” under the Act. As permitted by the Act, a grandfathered health plan can preserve certain basic health coverage that was already in effect when that law was enacted. Being a grandfathered health plan means that our **Highmark PPOBlue** plan may not include certain consumer protections of the Act that apply to other plans, for example, the requirement for the provision of preventive health services without any cost sharing. However, grandfathered health plans must comply with certain other consumer protections in the Act, for example, the elimination of lifetime limits on benefits.

Questions regarding which protections apply and which protections do not apply to a grandfathered health plan and what might cause a plan to change from grandfathered health plan status can be directed to the plan administrator at 724-775-7644 or eldridge@freedom.k12.pa.us you may also contact the U.S. Department of Health and Human Services at www.healthreform.gov.

Date Issued: June 1, 2011

Freedom Area School District (All Employees)

Overview of Current PPOBlue Medical Plan

Effective July 1, 2011 - Grandfathered

BENEFIT	PPOBlue Medical Plan Group Numbers: 13391-00, -80	
	In-Network Care	Out-of-Network Care ¹
Policy Provisions		
Benefit Period	Calendar Year	
Calendar Year Deductible (Individual/Family) ²	\$250 / \$500	\$500 / \$1,000
Co-Insurance (The Plan Pays) ²	100% after deductible	80% after deductible
Annual Out-of-Pocket Maximum (Individual/Family) ²	Not Applicable	\$1,000 / \$2,000 (not including deductibles)
Lifetime Maximum Per Person ²	Unlimited	
Dependent Eligibility	Dependents up to age 26 if not eligible for employer provided coverage ³	
Recertification Requirements ⁴	Yes	
Preventive Care Services		
Routine Physical Exams (adult & pediatric)	100% after \$5 copay per visit	Not Covered
Routine Gynecological Exams, including PAP Test	100% after \$10 copay per visit	80% (deductible does not apply)
Adult Immunizations	100% after deductible	80% after deductible
Childhood Immunizations	100% (deductible does not apply)	80% (deductible does not apply)
Mammograms - Routine & Medically Necessary	100% (deductible does not apply)	80% after deductible
Colorectal Cancer Screening	100% after \$10 copay per date of service per provider	80% after deductible
Routine & Medically Necessary	100% after deductible	80% after deductible
Surgical Services	100% after deductible	80% after deductible
Hospital/Physician Services		
Physician Office Visits	100% after \$5 copay per visit	80% after deductible
Specialist Office Visits	100% after \$10 copay per visit	80% after deductible
Maternity Care (facility & professional)	100% after deductible	80% after deductible
Inpatient Hospital Services	100% after deductible	80% after deductible
Outpatient Hospital Services	100% after deductible	80% after deductible
Medical/Surgical Services (except office visits)	100% after deductible	80% after deductible
Diagnostic Services	100% after \$10 copay per date of service per provider	80% after deductible
Advanced Imaging (MRI, CAT Scan, PET Scan, etc)	100% after \$10 copay per date of service per provider	80% after deductible
Basic Diagnostic Services (Standard Imaging, Diagnostic Medical, Lab/Pathology, Allergy Testing)	100% after deductible	80% after deductible
Allergy Extracts & Injections	100% after deductible	80% after deductible
Transplant Services	100% after deductible	80% after deductible
Emergency Services		
Emergency Room Services ⁵	100% after \$50 copay per visit (waived if admitted) <i>Notes: If inpatient admission occurs, deductible will apply. If outpatient observation occurs, copay will apply.</i>	
Ambulance	100% after deductible	80% after deductible
Therapy Services		
Spinal Manipulation Services	100% after \$30 copay per visit <i>Note: Specialist office visit copay may apply, if an office visit is billed.</i>	80% after deductible
Physical Therapy Services	100% after deductible <i>Note: Specialist office visit copay may apply, if an office visit is billed.</i>	80% after deductible
Speech & Occupational Therapy Services	100% after deductible <i>Note: Specialist office visit copay may apply, if an office visit is billed.</i>	80% after deductible
Cardiac Rehabilitation, Chemotherapy, & Dialysis Treatment	100% after deductible	80% after deductible
Infusion, Radiation, & Respiratory Therapy Services	100% after deductible	80% after deductible

Freedom Area School District (All Employees)

Overview of Current PPOBlue Medical Plan

Effective July 1, 2011 - Grandfathered

BENEFIT	PPOBlue Medical Plan Group Numbers: 13391-00, -80	
	In-Network Care	Out-of-Network Care ¹
Behavioral Health Services		
Mental Health - Inpatient	100% after deductible	80% after deductible
Mental Health - Outpatient	100% (deductible does not apply)	80% (deductible does not apply)
Substance Abuse - Inpatient Detoxification	100% after deductible	80% after deductible
Substance Abuse - Inpatient Rehabilitation	100% after deductible	80% after deductible
Substance Abuse - Outpatient Rehabilitation	100% (deductible does not apply)	80% (deductible does not apply)
Other Services		
Assisted Fertilization Treatment	100% after deductible	80% after deductible
Dental Services Related to Accidental Injury	100% after deductible	80% after deductible
Diabetes Treatment	100% after deductible	80% after deductible
Durable Medical Equipment	100% after deductible	80% after deductible
Enteral Formulae	100% (deductible does not apply)	80% (deductible does not apply)
Home Infusion Therapy	100% after deductible	80% after deductible
Home Health Care	100% after deductible	80% after deductible
Hospice Care	100% after deductible	80% after deductible
Infertility Counseling, Testing and Treatment ⁶	100% after deductible	80% after deductible
Orthotics	100% after deductible	80% after deductible
Pediatric Extended Care Services	100% after deductible	80% after deductible
<i>Combined Limit: 100 days per benefit period</i>		
Private Duty Nursing	100% after deductible	80% after deductible
Prosthetics	100% after deductible	80% after deductible
Skilled Nursing Facility	100% after deductible	80% after deductible
Prescription Drugs		
Prescription Drug Deductible	\$25 Per Person / 2 Person Maximum	
Prescription Drug (retail)	\$5 Generic / \$25 Brand Formulary / \$45 Brand Non-Formulary Copays Up to a 31 day supply Premier Pharmacy Network Choice Formulary with Soft Mandatory Generic Provision ⁷	
Prescription Drug (mail order)	\$5 Generic / \$25 Brand Formulary / \$45 Brand Non-Formulary Copays Up to a 90 day supply Choice Formulary with Soft Mandatory Generic Provision ⁷	

¹ Precertification may be required for services rendered by out-of-network providers.

² Does not apply to prescription drug benefits.

³ For grandfathered plans, the employer has the right under Section 1251 of the Affordable Care Act, to exclude from coverage, an adult child who has not attained age 26, if the child is eligible to enroll in their employer-sponsored health plan (as defined in Section 5000A(f)(2) of the Code).

⁴ HMS must be contacted prior to a planned inpatient admission or within 48 hours of an emergency or maternity-related inpatient admission. Some facility providers will contact HMS and obtain precertification of the inpatient admission on your behalf. Be sure to verify that your provider is contacting HMS for precertification. If not, you are responsible for contacting HMS. If this does not occur and it is later determined that all or part of the inpatient stay was not medically necessary or appropriate, you will be responsible for payment of any costs incurred.

⁵ Emergency service is any health care service provided to a member after the sudden onset of a medical condition that manifests itself by acute symptoms of sufficient severity or severe pain, such that a prudent layperson who possesses an average knowledge of health and medicine, could reasonably expect the absence of immediate medical attention to result in: a) placing the health of the member, or, with respect to a pregnant woman, the health of the woman or her unborn child, in serious jeopardy; b) serious impairment to bodily functions; or c) serious dysfunction of any bodily organ or part.

⁶ Treatment includes coverage for the correction of a physical or medical problem associated with infertility. Infertility drug therapy may or may not be covered depending on your group's prescription drug program.

⁷ Under the Soft Mandatory Generic Provision, the member is responsible for the payment differential when a generic drug is available and the patient elects to purchase a brand name drug. The member payment is the price difference between the generic and the brand name, in addition to copayment or coinsurance amounts which apply.

NOTE: This grid is only provided as a brief overview of benefits. All services must be medically necessary and appropriate, as determined by Highmark BlueCross, BlueShield, for benefits to apply.
For questions concerning your benefits, please contact The Reschini Group at 1-800-442-8047.

FREEDOM AREA SCHOOL DISTRICT

Notice of Elimination of Lifetime Limits and Enrollment Opportunities

As set forth under the Affordable Care Act, the lifetime limit on the dollar value of benefits under Freedom Area Group Health Plan no longer applies.

Individuals whose coverage ended by reason of reaching a lifetime limit under the plan are eligible to enroll in the plan. Individuals have 30 days from the date of this notice to request enrollment. For more information contact the Linda Eldridge at 724-775-7644 or eldridge@freedom.k12.pa.us

Notice Issued: June 1, 2011