



**SCOTT & WHITE
HEALTH PLAN**

The one Texans trust.

**GROUP
ADMINISTRATIVE
MANUAL**

Scott & White Health Plan

1206 West Campus Drive

Temple, TX 76502

(254) 298-3000

(800) 321-7947



The one Texans trust.

Dear Client,

Welcome to Scott & White Health Plan! We are proud to have you as a new client enrolled in the medical plan.

This Group Administrative Manual will provide information to make the administration of your group plan easy. Please take a minute to review the contents. We have included information about enrollment and termination processes, procedures for submitting monthly premiums, and working with eligibility issues.

Please pay particular attention to the information provided about Medicare Secondary Payer. We ask that if you identify one of your employees as being retirement age, that you contact your Account Representative.

Your Account Representative is available to assist with any questions or concerns you may have. Please refer to your Evidence of Coverage when needing specific plan design information.

If your employees have questions regarding their plan benefits or eligibility, please direct them to the Customer Service Center nearest you. The hours of operation are: Monday through Friday, 8:00 a.m. to 5:00 p.m. They may also call 800-321-7947 or 254-298-3000 24 hours a day/7 days a week.

Again, thank you for your enrollment with Scott & White Health Plan. Please do not hesitate to let us know when we can be of further assistance. We look forward to a long relationship.

Sincerely,

Scott & White Health Plan

3000 Briarcrest, Suite 422
Bryan, Texas 77802
(979) 268-7947
(800) 791-8777

204 S. IH 35, Suite 100
Georgetown, Texas 78628
(512) 930-6040
(800) 758-3012

1131-B Knickerbocker Road
San Angelo, Texas 76903
(325) 659-1403
(888) 642-0786

1206 West Campus Dr.
Temple, Texas 76502
(254) 298-3000
(800) 321-7947
TTY (254) 724-2832

American Plaza
200 W. State Hwy 6, Suite 300
Waco, Texas 76712
(254) 756-8000
(800) 684-7947

Please visit us at swhp.org

MEMBER INFORMATION MATERIAL

For the new employee

In order to receive a thorough explanation of benefits, a new employee should be given the Scott & White Health Plan (SWHP) enrollment packet of information, consisting of the following:

- copies of your Summary of Benefits and any riders
- an Enrollment Form, to be completed by those employees who wish to enroll in the SWHP
- a Notice of Late Enrollment Rights Form, to be signed by employees who wish to decline coverage for any reason

For the newly enrolled member

After the enrollment application is processed and the employee becomes a member, he/she will receive the following:

- a new member welcome booklet – includes instructions on where to find a copy of their Evidence of Coverage, Member Handbook, Privacy Policy, and Health Information Resource Guide, as well as information to help them understand their benefits and the additional resources that are available to them.
- an identification (ID) card - one ID card for a single contract holder, two ID cards for contract holder plus dependents
- two key tags with our VitalCare nurse advice line phone number

Additional ID cards are available upon request by contacting Member Services at (800) 321-7947 or you may request additional cards online at www.swhp.org.

DEFINITIONS

The following definitions summarize a few of those provided in the Evidence of Coverage. For additional information, please review the Evidence of Coverage.

CONTRACT DATE

The date the contractual agreement between the employer and the Scott & White Health Plan (SWHP) goes into effect. This will always be on the first day of the month.

CO-PAYMENT

The dollar amount or percentage payable by the member to a Participating Provider, Physician and or Hospital when healthcare services are obtained.

DEDUCTIBLE

A fixed dollar amount paid by the member before benefits begin.

ELIGIBLE EMPLOYEE

An employee who works on a full time basis and who usually works at least 30 hours a week and is not covered by another health/medical plan.

LATE ENROLLEE

An employee or dependent eligible for enrollment who requests enrollment in a small or large employer's group health benefit plan after the expiration of the initial enrollment period or annual open enrollment period.

OPEN ENROLLMENT PERIOD

A 31-day period of time, beginning on the first day of a calendar month, occurring at least once a year, established by the employer and SWHP, during which the eligible employees and their dependents may be enrolled as new members.

PRIMARY CARE PHYSICIAN

A participating physician specializing in Family Medicine, Community Internal Medicine (CIM), General Medicine or Pediatrics. Each covered family member may select their own Primary Care Physician (PCP), based upon their own needs to manage their health care.

SUBSCRIBER

Refers to the Eligible Employee

WAITING PERIOD

A period of time established by an employer that must pass before an employee is eligible to be covered for benefits. (Sometimes referred to as a New Hire or Probationary Period.)

ELIGIBILITY / ENROLLMENT ISSUES

For all enrollment applications, terminations, changes and/or late enrollment rights forms, forward to:

Scott & White Health Plan
ENROLLMENT DEPARTMENT – TEMPLE
1206 West Campus Drive
Temple, TX 76502

Phone: (254) 298-3000

Fax: (254) 298-3199

E-mail: swhpgroupenrollment@swmail.sw.org

As the Group Administrator of the Scott & White Health Plan (SWHP), you will frequently work with eligibility and enrollment issues. The following information is provided to assist in answering the most commonly asked questions regarding these issues.

WHO IS ELIGIBLE FOR THE SCOTT & WHITE HEALTH PLAN?

Any employee who works a minimum of 30 hours a week (or meets the employer's specific requirements) and who has met the new hire waiting/probationary period as set by the employer, is eligible for the Scott & White Health Plan.

CAN THE APPLICATION/ENROLLMENT FORM BE USED FOR OTHER PURPOSES?

Yes. This form is a multi-use form and can be used for adding new employees, terminating existing plan members and/or changing family status information.

WHAT DO I DO WHEN I HIRE SOMEONE NEW?

New employees should receive an enrollment packet and complete the enrollment application **prior to completion of the company's new hire waiting period**. SWHP must receive the application(s) within 31 days of the effective date of coverage. Employees who choose not to participate in the plan should complete a "Notice of Late Enrollment Rights" form. (Refer to section "Administrative Forms")

WHAT IF THE APPLICATION IS NOT TURNED IN ON TIME?

If the application is not received within 31 days of the effective date of coverage, the employee must wait until the next open enrollment date OR if the employer allows, the employee can still be eligible for coverage after they complete an additional 90-day late enrollee-waiting period. The 90-day waiting period begins the date the SWHP received the application(s). Coverage will begin on the 91st day.

WHAT IF AN EMPLOYEE LEAVES AND IS NO LONGER WORKING HERE?

When an employee leaves your company for any reason, an Application/Enrollment form should be completed by the employee or the Group Administrator, then forwarded to SWHP as soon as possible (see Senate Bill 51). If you are utilizing CONEXIS for COBRA or Texas Continuation you will need to notify them as well. (Refer to Section “Termination and Conversions” for more information about CONEXIS.) You may mark the employee off of your monthly billing statement, but an Application/Enrollment form should still be completed as soon as possible. (Refer to Section “Administrative Forms”).

ARE MY EMPLOYEES ELIGIBLE FOR COBRA?

Employee(s) and/or their covered dependents are eligible for COBRA only if your company had a total of 20 or more employees during the preceding calendar year. If you do not meet the COBRA qualifications, there are other alternatives, such as State Continuation and Conversion. (Refer to Section on “Termination and Conversions”)

WHAT ABOUT MY DEPENDENTS?

An employee may carry their dependent(s) under the SWHP. To be eligible to enroll as a dependent, a person must be:

- the spouse or legal common law spouse of the employee (common law certificate must be provided to SWHP)
- a son, daughter or stepchild born to the employee or the employee’s spouse under the age of 26
- the grandson or granddaughter who is qualified as a dependent for Federal Income Tax purposes (affidavit must be submitted to SWHP)
- a legally adopted child
- a child for whom the employee or employee’s spouse is ordered through a medical support order issued by a court of law (Legal documentation must be provided with the application.)
- a child of any age who is incapable of self-sustaining employment by reason of mental retardation or physical handicap and is chiefly dependent upon the employee for support. Medical certification is required at the time of enrollment to SWHP
- ineligible as an employee through any other group plan

CAN DEPENDENTS ENROLL AT ANYTIME?

Open enrollment is the time to enroll any dependents. After open enrollment, dependents can be added during the contract year within 31 days of a qualifying family status change. For example: the birth or adoption of a child, a marriage, a divorce, a death or a dependent losing coverage. If there is no family status change, a dependent can come on only during the next open enrollment or, if the employer allows, after they complete a 90-day late enrollee period.

IF A DEPENDENT IS ADDED, WHEN DO THEY BECOME EFFECTIVE?

This is dependent on the circumstance. Please see the Eligibility Grid.

TERMINATION / CONTINUATION / CONVERSION

TERMINATION

If an employee is terminated or leaves an employer for any reason, an Enrollment form should be completed and signed by the employee. If the employee is not available to sign the form, the Group Administrator or an authorized representative, must sign the form and return it to SWHP Enrollment Department in Temple.

1206 West Campus Drive

Temple, TX 76502

Phone: (254) 298-3000

Fax: (254) 298-3199

E-mail: swhpgroupenrollment@swmail.sw.org

CONTINUATION

COBRA - A continuation plan designed for employers with 20 or more employees during the preceding calendar year. An employee has 60 days to elect this option. After COBRA benefits are exhausted, State continuation may apply, adding additional days/months.

Small Employer Continuation Provision - A continuation plan designed for employers with less than 20 employees. In Texas, the benefit period is 9 months. An employee has 31 days to elect this option.

CONVERSION

It is the responsibility of the terminating employee to contact SWHP regarding conversion privileges. An employee who terminates employment may apply for an individual plan, but will be required to show evidence of good health. (Please refer to the Evidence of Coverage for more specific information on the Continuation of Coverage Option.)

SWHP does not provide or administer COBRA or Small Employer Continuance services. As a service to our employer groups, SWHP has chosen CONEXIS, a COBRA compliance administrator, to handle all COBRA administration for your groups. These services will not affect your SWHP premium rates. Once your group contracts with SWHP, a CONEXIS representative will contact you for an introduction to their services. Your Sales Representative would have discussed this with you at enrollment.

If your company is already working with another COBRA compliance administrator, please communicate this to your SWHP Sales or Account Representative. This will prevent CONEXIS from contacting you. You will be asked to sign a waiver stating that you do not wish to have CONEXIS administer your COBRA benefits.

FACTS ABOUT CONEXIS

WHAT IS CONEXIS?

CONEXIS is a COBRA and HIPAA compliance administrator designed to alleviate paperwork, indemnify your organization from liability, and ensure rapid transfer of COBRA premiums to your health plan. CONEXIS provides professional services to perform these administrative and compliance tasks, while reducing the cost of COBRA and HIPAA administration to your organization. Services include:

- comprehensive COBRA Administration
- COBRA Compliance
- state continuation

CONEXIS is an Internet-based communications system. You are not required to work through the Internet, however, Human Resources professionals have found this to be the most convenient way to maintain their employee data.

AM I REQUIRED TO USE CONEXIS?

CONEXIS is offered to all of our employer groups unless they are already working with or have an in-house COBRA compliance administrator. Your decision to use CONEXIS will not affect your premium rates; therefore, the SWHP recommends you make this transition. (Should you decline these services, you must sign a waiver form stating this declination.)

HOW DO I WORK WITH CONEXIS?

CONEXIS is a highly automated service. Quite simply, you provide CONEXIS with a database of employees and keep them informed of new hires, plan enrollees, terminations, etc. From there, CONEXIS will manage all of your COBRA compliance issues.

WHO WILL HELP ME MANAGE THIS TRANSITION?

Representatives from CONEXIS and your SWHP Account Representative are available to make the transition smooth for you and your organization. Once your group has been implemented, CONEXIS will mail or e-mail a welcome letter and a Qualifying Event Notification Form. CONEXIS can also provide online training for administering your account.

For questions, call your SWHP Account Representative or contact CONEXIS at (888) 452-6272.

Waiver of COBRA Administration

I am aware that all employers are required to provide COBRA and/or Texas Continuation of Coverage to their employees. These requirements are applied through state and federal laws.

I am aware that the penalties for failure to comply include:

- \$100 to \$310 dollars per day per violation
- Damages to employees for failure to comply
- Attorney's fees

My company is prepared to handle compliance with COBRA and/or Texas Continuation of Coverage through means other than CONEXIS.

By signing this form, I hereby acknowledge that I have reviewed the offer through the Scott & White Health Plan to provide COBRA and Texas Continuation of Coverage and have decided that these services are not necessary.

Company Name: _____

Signature: _____

Print Name: _____

Date Signed: _____

I, _____, a representative of the Scott & White Health Plan, acknowledge receipt of this Waiver of COBRA Administration Form offering CONEXIS as their COBRA / HIPAA administrator.

Signature: _____

Date Signed: _____

BILLING INFORMATION

You will receive an invoice, similar to the attached sample, around the 15th of each month. Your premium is due on the 1st day of the month of coverage.
For example, May premium would be due on May 1st.

There are several ways to make your payment:

- mail or deliver payments to your local Scott & White Health Plan office
- mail to our premium payment lock box:
Scott & White Health Plan (SWHP)
P.O. Box 840206
Dallas, TX 75284-0206
- There is an application for our Automatic Payment System (APS) online at www.swhp.org/employers/geninfo. If you want to have your monthly premiums deducted automatically from your company's checking account, simply complete the application for the APS and return the form with a voided check to your Account Representative. Premium payments should continue to be made manually until the APS is effective.
- e-Pay - Go to www.swhp.org and sign up for this time saving method.
- By phone – call Customer Service and let them know you want to pay by phone.

Please review your bill carefully each month and notify us of any errors or omissions. It is very important that you notify us in advance, if possible, of any changes to your enrollment.

Notations may be made on your invoice, such as deducting premiums for employees who have terminated or adding premiums for new hires; however, we will still need the Enrollment form indicating the termination or addition in order to make any adjustments on the next invoice.

Note: Scott & White Health Plan uses a Wash Out billing system, which means, for new members, if the effective day falls on or between the 1-15th of the month, then the billed entity is charged for the entire month. If the effective day falls between the 16th-31st then the billed entity is **not** charged premium for the month. This will usually affect groups that choose new hire waiting periods of Date of Hire, or 91st date of employment.

BE SURE TO ATTACH ONE COPY OF THE ENTIRE INVOICE WITH YOUR CHECK.

If you have any questions regarding your invoice, please contact SWHP at (800) 321-7947 or (254) 298-3000 and ask for billing.

FAILURE TO COMPLY WITH THE DUE DATE MAY RESULT IN TERMINATION OF THE GROUP HEALTHCARE AGREEMENT.

PREMIUM BILLING

Cover Page

1. Name and address of your company

Page 1 - TOTAL MEMBERSHIP IN FORCE THIS PREMIUM PERIOD

2. Your group number
3. Due date and period covered by this premium billing
4. Subscriber's contract number
5. Names of subscribers in force during this premium period
6. Date coverage began
7. Billing period
8. Type of coverage for each subscriber
9. Number of people in each subscriber's family covered by this contract
10. Premium amount of each contract
11. Total premium for members in force during this billing period

Page 2 - SAME AS PAGE 1 FOR AN ADDITIONAL DIVISION (IF APPLICABLE)

Page 3 - SUMMARY OF CURRENT INVOICE AND AMOUNTS DUE

12. Total number of contracts by specified type
13. Total of current premium amount due for current billing period
14. Total adjustments
15. Balance from prior billing period
16. Amount paid on prior invoice
17. Total amount due



SCOTT & WHITE
HEALTH PLAN
PO Box 847473
Dallas, Texas 75284-4743

P0A0YC0000000000
COMPANY
ATTN: CONTACT
COMPANY ADDRESS
COMPANY CITY. STATE ZIP



PAGE#: 1
 INVOICE#: 00W000
 INVOICE DATE: 04/25/07
 PAYMENT DUE ON/BEFORE: 05/22/2007
 BILL PERIOD: 06/01/2007 - 06/30/2007
 BILLING CYCLE CODE: WO

ATTN:

DIV#: 0000

| EMPLOYEE NUMBER | EMPLOYEE'S NAME | COVERAGE EFFECTIVE | BILL FROM | BILL TO | CONTRACT TYPE | FAM SIZE | PREMIUM AMOUNT |
|-----------------|-----------------|--------------------|-----------|----------|---------------|----------|----------------|
| | | 06/08/01 | 06/01/07 | 06/30/07 | 41 | 1 | \$314.83 |
| | | 03/01/83 | 06/01/07 | 06/30/07 | 41 | 1 | \$314.83 |
| | | 03/01/83 | 06/01/07 | 06/30/07 | 41 | 1 | \$314.83 |
| TOTAL PREMIUM: | | | | | | | \$944.49 |

| CONTRACT TYPE | CONTRACT COUNT | MEMBER COUNT | PREMIUM AMOUNT |
|---------------|----------------|--------------|----------------|
| 41 | 3 | 3 | \$944.49 |
| TOTAL: | 3 | 3 | \$944.49 |

B00000



PAGE#: 2
 INVOICE#: 00W000
 INVOICE DATE: 04/25/07
 PAYMENT DUE ON/BEFORE: 05/22/2007
 BILL PERIOD: 06/01/2007 - 06/30/2007
 BILLING CYCLE CODE: WO

ATTN:

-RETIREE

DIV#: 0000

| EMPLOYEE NUMBER | EMPLOYEE'S NAME | COVERAGE EFFECTIVE | BILL FROM | BILL TO | CONTRACT TYPE | FAM SIZE | PREMIUM AMOUNT |
|--------------------|-----------------|-----------------------|--------------|------------|------------------|-------------|-------------------|
|--------------------|-----------------|-----------------------|--------------|------------|------------------|-------------|-------------------|

| | | | | | | | |
|--|--|----------|----------|----------|----|---|----------|
| | | 01/01/07 | 06/01/07 | 06/30/07 | 41 | 1 | \$314.83 |
|--|--|----------|----------|----------|----|---|----------|

| | | | | | | | |
|----------------|--|--|--|--|--|--|----------|
| TOTAL PREMIUM: | | | | | | | \$314.83 |
|----------------|--|--|--|--|--|--|----------|

| CONTRACT TYPE | CONTRACT COUNT | MEMBER COUNT | PREMIUM AMOUNT |
|------------------|-------------------|-----------------|-------------------|
| 41 | 1 | 1 | \$314.83 |
| TOTAL: | | | \$314.83 |

J00000



INVOICE#: 00W000

INVOICE DATE: 04/25/07

PAYMENT DUE ON/BEFORE: 05/22/2007

BILL PERIOD: 06/01/2007 - 06/30/2007

BILLING CYCLE CODE: WO

ATTN:

***** SUMMARY OF BILLING *****

| DIVISION NUMBER | NAME | CONTRACT COUNT | MEMBER COUNT | PRIOR BALANCE | CURRENT PREMIUM | CURRENT ADJUSTMENTS | PAYMENTS RECEIVED | TOTAL DUE | PLEASE INDICATE PAYMENT AMOUNT FOR EACH DIVISION IN THE SPACE PROVIDED BELOW |
|--------------------|-----------------|-------------------|-----------------|------------------|--------------------|------------------------|----------------------|--------------|---|
| 000 | COMPANY | 3 | 3 | 935.95 | 944.49 | .00 | 935.95- | 944.49 | ----- |
| 000 | COMPANY-RETIREE | 1 | 1 | 314.83 | 314.83 | .00 | 314.83- | 314.83 | ----- |
| TOTAL: | | 4 | 4 | 1,250.78 | 1,259.32 | .00 | 1,250.78- | 1,259.32 | ----- |

***** PLEASE ENCLOSE THIS REMITTANCE SUMMARY WITH YOUR PAYMENT *****

300000



RENEWAL PROCESS

Scott & White Health Plan (SWHP) has a process in place for the renewal of your group plan each year. Your Account Representative will be available to help you through this process, so do not hesitate to call them if you need assistance. Your Account Representative will send important renewal information at least 60 days prior to your renewal date.

It is very important for you to complete and return the requested material by the due date.

ADMINISTRATIVE FORMS

(All forms can be found at www.swhp.org/employers/geninfo)

THE ENROLLMENT FORM

This is a multi-purpose form that can be used for the following:

- enrolling a new employee and dependents
- dropping a dependent from the plan due to divorce, death, marriage, age, etc.
- adding a new dependent to the plan due to birth, marriage, adoption, loss of coverage, etc.
- terminating coverage due to termination of employment, other coverage through a spouse, etc.
- changes in information, such as a change in name, address, phone, etc.
- COBRA enrollment/termination

NOTICE OF LATE ENROLLMENT RIGHTS

This is a required form that is used when an employee declines individual and/or dependent coverage with the Scott & White Health Plan.

GRANDCHILD AFFIDAVIT / RELEASE

This form is used in addition to the Enrollment Form when an employee requests coverage for a grandchild on the plan.

REMINDER

All enrollments, terminations, and changes MUST be mailed or faxed to the following:

SCOTT & WHITE HEALTH PLAN (SWHP)
Enrollment Department
1206 West Campus Drive
Temple, TX 76502

Fax: (254) 298-3199

E-mail scanned documents to: swhpgroupenrollment@swmail.sw.org

METLIFE

As an added benefit to you, Scott & White Health Plan (SWHP) has partnered with Metropolitan Life Insurance Company (MetLife) to offer several ancillary lines of coverage, which include Basic Life with Accidental Death and Dismemberment (AD&D), Dental coverage, Short Term Disability (STD), and Long Term Disability (LTD).

While the disability programs are administered directly through MetLife, SWHP provides administrative and billing processes for Basic Life, AD&D, and Dental. Your Sales or Account Representative will work with you on the initial implementation as well as each renewal.

BASIC LIFE AND AD&D

Basic Life and AD&D have the following purchasing requirements for both new and existing groups

- employer purchases basic amount for all full time employees
 - 100% Employer Paid
 - 100% Employee Participation
- the employee information will be provided on the census form
- The Beneficiary Designation Form will remain with the employer

Employee Purchase of a Buy Up benefit

- 100% Employee Paid through Payroll Deduction
- the employee information will be provided on the census form
- the employee will complete the enrollment form
- the Beneficiary Designation Form will remain with the employer
- ten (10) or more full time employees must enroll in order to offer the buy-up option

If you have elected to offer the Basic Life and AD&D to your full time employees, you will be provided with an administrative manual/CD containing forms and other information

- Beneficiary Designation
- Death Benefit Claim
- Accelerated Benefits Option
- Waiver of Premium
- Portability Option
- Conversion Option
- Privacy Notice
- Sample Spreadsheets (Census, Add/Drop Form)

DENTAL

In addition to life insurance, SWHP also offers groups the choice of several dental plans through MetLife. If your group has chosen a Dental Plan through MetLife, please refer to your Summary of Benefits for plan design information. Although billed through SWHP, the plans are administered by MetLife. Any questions about the policies or to request a listing of the MetLife “Preferred Dentist Program” (PDP), please call the MetLife Small Business Center.

MetLife Small Business Center
1-800-ASK-4MET
1-800-275-4638
www.metlife.com/dental

LONG & SHORT TERM DISABILITY

The Sales and Account Representatives of Scott & White Health Plan offer disability insurance to supplement the overall benefits of our clients. Long and short-term disability are administered by MetLife and must meet the following criteria:

- ten (10) or more full-time employees
- employers must meet industry underwriting guidelines
- 100% Employer Paid
- 100% Employee Participation

Contact your SWHP Sales or Account Representative for more information.

January 2012

To: Fully insured groups

Re: Implementation of Senate Bill 51*

In the 79th Legislation Session, the Texas Legislature passed Senate Bill 51, Group Premium Payment after Employee Termination, which amended Chapter 843 of the Texas Insurance Code. This legislation applies to fully insured group HMO plans issued, delivered or renewed, on or after, January 1, 2006. The Texas Department of Insurance has adopted regulations that clarify the requirements of this law.

Senate Bill 51 and the TDI regulations provide that:

- Generally, the employer is liable for the enrollee's (including employees and their dependents) premium from the time the individual ceases to be eligible for coverage until the end of the month in which the employer notifies the insurer that the individual is no longer part of the group eligible for coverage.
 - If the event which makes an enrollee ineligible for coverage under the group occurs during the last seven calendar days of the month, the employer has until the third day of the next month to notify the health plan of that enrollee's ineligibility for coverage.
- Subject to the requirements noted above, Scott and White Health Plan is required to provide coverage for the enrollee or employee, under the policy, until the end of the month in which notification is received.

As an example, if an employee discontinues employment on November 15, 2011 and Scott & White Health Plan receives notification on December 3, 2011, the employer is responsible for paying the terminated employee's premium for the entire month of December 2011 and the employee will remain covered until the last day of December 2011. However, if the employee had discontinued employment on November 28, 2011, and Scott and White Health Plan received notification on December 3, 2011, then the December premium would not be owed by the employer, and coverage for that employee and his or her dependents would terminate as of the last day of November.

Notifications shall be considered to be received on the 3rd day following the postmark for mailed notices, and when actually received for hand-delivery, fax, e-mail or electronically delivered notices. Should you have any questions, please feel free to call Scott & White Health Plan at 800-321-7947.

Sincerely,

Scott & White Health Plan

*Original notification sent December 2005. Additional notification sent April 2006 and January 2010.

3000 Briarcrest, Suite 422
Bryan, Texas 77802
(979) 268-7947
(800) 791-8777

204 S. IH 35, Suite 100
Georgetown, Texas 78628
(512) 930-6040
(800) 758-3012

1131-B Knickerbocker Road
San Angelo, Texas 76903
(325) 659-1403
(888) 642-0786

1206 West Campus Dr.
Temple, Texas 76502
(254) 298-3000
(800) 321-7947
TTY (254) 724-2832

American Plaza
200 W. State Hwy 6, Suite 300
Waco, Texas 76712
(254) 756-8000
(800) 684-7947

Medicare Secondary Payer Group Health Plan (GHP) Process as it Applies to Employers

What is Medicare Secondary Payer (MSP)?

Medicare Secondary Payer (MSP) is the term used by Medicare when Medicare is not responsible for paying first.

How does MSP impact Employers?

- Employers must provide SWHP with Employer Identification Numbers (EINs) or Tax Identification Numbers (TINs), if we don't already have this information on file.
- We need to have the employer's address on file to which Coordination of Benefits (COB) issues & recovery demands should be directed.
- We must report the number of employees on all groups and that data must be updated each calendar year.

As an employer, you must:

- Assure that your plans identify those individuals to whom the MSP requirement applies;
- Assure that your plans provide for proper primary payments where by law Medicare is the secondary payer;
- Assure that your plans do not discriminate against employees and employees' spouses age 65 or over, people who suffer from permanent kidney failure, and disabled Medicare beneficiaries for whom Medicare is secondary payer; and,
- Accurately complete and submit Data Match reports timely on identified employees.

Employer cooperation is extremely important!

- If an employer does not provide its GHP insurer or TPA the information necessary and required for Section 111 reporting, the employer is putting its GHP insurer or TPA at risk for non-compliance with the Section 111 reporting requirements.
- **Some employers may be asked to assist the insurer or TPA in compiling important information in order to determine their employees' entitlement, or the entitlement of their employee's spouse or dependent, to Medicare, such as the Medicare Health Insurance Claim Number (the Medicare ID number). *This information is needed by Medicare. Please be sure to report anyone who is of retiree age to your Account Representative.***
- Employers may also be asked to tell the insurer or TPA the number of full-time and part-time employees the employers has. This is important because the MSP requirements are employer size specific.
- Prompt employer cooperation with its GHP insurers or TPAs will reduce GHP and employer costs associated with the coordination of benefits with Medicare.
- Prompt employer cooperation with its GHP insurers or TPAs will prevent Medicare from making mistaken payments. Fewer mistaken payments made by Medicare will result in fewer recovery actions against employers.

- Prompt employer cooperation will better ensure the success of this new insurer reporting requirement. If CMS determines that the MMSEA Section 111 mandatory reporting requirements process is successful, CMS will consider requesting that Congress eliminate current employer responsibilities under the annual IRS/SSA/CMS Data Match. See (<http://www.cms.hhs.gov/irsssacmsdatamatch/>) for more information about employer responsibilities under the IRS/SSA/CMS Data Match.

Medicare can recover from you, the employer!

- Under the Medicare Secondary Payer provisions of the Social Security Act, employers that sponsor or contribute to the Group Health Plan are entities from which Medicare may recover. (42 U.S.C. 1395y(b))

If you would like more information, please ask your Account Representative for our full MSP presentation. You may also get more information by visiting <http://www.cms.hhs.gov/MandatoryInsRep/>.