

**IMPORTANT GROUP HEALTH INSURANCE POLICY CHANGES
EFFECTIVE JANUARY 1, 2011
AND NOTICE OF SPECIAL ENROLLMENT**

On (*January 1, 2011*) important changes are being made to your group medical insurance plan to implement those provisions of the Patient Protection and Affordable Care Act (Health Care Reform) that apply to MCSIG. This notice will summarize the changes that are being made to implement the provisions of Health Care Reform that are effective in 2011. Some Health Care Reform changes you may have heard about are not listed here, such as the new rule regarding plan rescissions. Those are not listed here because the MCSIG medical plans already comply with those provisions.

Extension of Dependent Coverage to Age 26 and Special Enrollment Period

Under your current plan provision, you are allowed to cover an eligible dependent up to age 25 only if they meet specific plan requirements. Under the new expanded plan provision effective *January 1, 2011*, you will be allowed to keep your eligible dependent(s) covered up to age 26. Your eligible dependent must still be your qualified dependent as defined in your summary plan description (plan booklet); however the plan has eliminated the full-time student requirement. Simply put, your dependent(s) will be allowed to stay covered up to the age of 26, even if your dependent is married. The plan, however, does NOT cover the dependent's spouse or dependents. If you are currently covering dependents, this plan change is automatic and no action is required on your part.

Special Enrollment Period For Dependents Who Have Lost Coverage Or Were Not Eligible For Coverage Due To The Former Plan Requirements Or Age Limitation

If you have had a dependent lose their group health insurance coverage because of the current age limitation, or if they lost or were denied coverage because they no longer met the plans eligibility requirements, or they were not eligible for coverage at all because of their age, you now have the ability to enroll them on your group medical insurance plan assuming they are under the age of 26. You may request enrollment for such children during the month of November 2010. Enrollment/coverage will be effective January 1, 2011. Contact your district benefit representative to enroll a dependent during this special enrollment period.

Special Enrollment Rules for the MCSIG Dental & Vision Plans

Although not required by the Act, the MCSIG Board voted to modify the dental and vision plan eligibility rules so they are in alignment with the new medical plan eligibility rules. Therefore, a MCSIG subscriber may enroll a qualified dependent up to age 26 in their dental and/or vision plan during the special enrollment provided the subscriber is already enrolled and the dependent did not previously voluntarily drop dependent dental and/or vision coverage within the last two years. Dependents up to age 26 who were involuntarily dropped due to age-out or less than full-time student status are not subject to the two-year wait rule. Dental and/or vision coverage for dependents enrolled during this special enrollment will be effective 1/1/11. If you are currently covering dependents, this plan change is automatic and no action is required on your part.

Elimination of Medical Plan Lifetime Benefit Limit and Special Enrollment Period

Under your current plan provision, the medical plan has a maximum lifetime benefit of \$5,000,000. On January 1, 2011 this maximum lifetime benefit limit is being eliminated and a lifetime limit will no longer apply.

Special Enrollment Period For An Employee or Eligible Dependent Who Has Lost Coverage In The Past Due To The Maximum Benefit Limit

If you or a dependent lost their group health insurance coverage in the past due to the maximum lifetime benefit limit being reached, you now have the ability to enroll yourself or the individual spouse or dependent back on your group health insurance plan assuming you or the individual would still be eligible for coverage absent the benefit maximum being reached. You may request special enrollment during November 2010. Coverage will be effective January 1, 2011. Contact your district benefit representative to add a dependent during this special enrollment period.

Special Enrollment Procedures

THIS SPECIAL ENROLLMENT PERIOD BEGINS ON NOVEMBER 1 AND ENDS NOVEMBER 30, 2010. NO EXCEPTIONS!

1. Who is eligible to enroll in a MCSIG medical plan during this special open enrollment period?

All participants, including active, retirees and COBRA, may enroll their qualified dependent under the age of 26:

- regardless of whether that dependent has ever been enrolled as a dependent on your MCSIG medical plan.
- whose previous MCSIG coverage was terminated due to aging out (reaching the plan's previous maximum age of 25) or failure to achieve or maintain full-time student status.
- who was previously denied coverage (or was determined not eligible for coverage) because the availability of dependent coverage ended before attainment of age 26.
- who is currently enrolled in COBRA coverage [these dependents will experience another opportunity to enroll in COBRA coverage after they age out (achieve the age of 26)].

Active employees and retirees (and their previously enrolled dependents) who were previously enrolled in a MCSIG medical plan and lost their MCSIG medical coverage due to the plan's lifetime limit provision.

2. In which MCSIG plans may I enroll during this special open enrollment period?

- You must enroll your qualified dependent in the same medical plan that you, the subscriber, are enrolled in. Should you wish to change plans during this open enrollment, you may do so. Plan changes elected during this open enrollment period will be effective as of January 1, 2011.
- You may also enroll your qualified dependent as a dependent on your dental and/or vision plan.

This document describes changes to your medical plan that take effect 1-1-11. As such, this is a binding document. Please keep this document with your summary plan description (plan booklet). Together, your plan booklet and any documents notifying you of any plan changes (including this document) describe the provisions of your medical plan. Should you have any questions regarding this notice or any of the plan provisions, please contact MCSIG customer service at 800-287-1442.

3. What if I do not enroll my qualified dependent during this special open enrollment period?

If you do not enroll your qualified dependent under age 26 during this special open enrollment period, any future request to enroll your qualified dependents under age 26 will be subject to MCSIG's normal late enrollment underwriting process including potential pre-existing condition limitations (for dependents over the age of 19) and possible denial of coverage. The Act does not provide for any future special enrollment periods for qualified dependents under age 26.

4. What do I need to do to enroll my qualified dependent under age 26 during this special open enrollment period?

- Go to the MCSIG website (www.mcsig.com) or to your district benefits representative and obtain a MCSIG change form
- Complete and return the change form (with all supporting documentation – see #5 below) to your district benefits representative BEFORE or on November 30, 2010
 - Do not mail change forms directly to MCSIG
 - Incomplete forms or forms lacking required supporting documentation will be returned to you and the dependents will not be enrolled unless the completed change form and all supporting documentation is returned to your district benefit representative BEFORE or on November 30, 2010

5. Documentation requirements

If you take this opportunity to re-enroll an individual that was previously covered by the plan, then no documentation will be required. However, if you add a biological or other eligible dependent that was NOT previously covered by the plan, or an individual that lost coverage as a result of reaching the plan benefit maximum then you will be required to provide a birth certificate or other written documentation to support the relationship.

6. Insurance fraud

This special enrollment period is for your eligible dependent(s) only. Knowingly enrolling someone who is not your dependent and not eligible for coverage is insurance fraud.

No Cost Sharing for Preventive Care or Immunizations

The MCSIG medical plans already substantially comply with this provision of the Act. Effective January 1, 2011, the MCSIG medical plans will waive all cost-sharing requirements for the following “recommended preventive services” when delivered by networked providers:

- Evidence-based items or services with an “A” or “B” rating from the U.S. Preventive Services Task Force (USPSTF)
- Immunizations for routine use in children, adolescents and adults with a recommendation in effect from the Advisory Committee on Immunization Practices of the Centers for Disease Control and Prevention
- Evidence-informed preventive care screenings for infants, children and adolescents provided in guidelines supported by the Health Resources and Services Administration (HRSA)

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- Evidence-informed preventive care and screening for women provided in guidelines supported by HRSA and not otherwise addressed by the USPSTF. These guidelines are currently being developed and are expected to be issued no later than August 1, 2011. Recommendations of the USPSTF regarding breast cancer screening, mammography and prevention issued in or around November 2009 are not considered to be current under the regulations.

A complete list of recommendations and guidelines that will be covered is located at <http://www.HealthCare.gov/center/regulations/prevention.html> (the list). This list will be continually updated to reflect both new recommendations and guidelines and revised or removed guidelines. The MCSIG medical plans will continue to require cost-sharing, pursuant to the current plan design, for preventive services delivered by out-of-network providers.

Internal/external Appeal Process

Effective January 1, 2011, the MCSIG medical plans will substantially comply with the requirements of the Patient Protection and Affordable Care Act with respect to an internal and external appeals process. The MCSIG medical plans will fully comply with the internal/external appeals process requirements by July 1, 2011. You will receive more information concerning MCSIG's internal/external appeals process from MCSIG in the future.

Emergency Room Coverage

Effective January 1, 2011, MCSIG's out-of-network emergency room coverage will be the same as in-network. This does not mean that there will be no member cost-sharing for ER services or that a non-networked provider will not balance-bill the member. ER visits will still be subject to a \$250 ER co-pay when determined not to be an emergency.

No Pre-Existing Condition Exclusions for Dependents Under 19 Years Old

Under the current provisions of your medical plan, late enrollment of dependents or enrollment of dependents without qualifying credible coverage is subject to the plan's pre-existing condition exclusions. Effective January 1, 2011, enrollment of qualified dependents who are under the age of 19 will no longer be subject to the plan's pre-existing condition exclusions.

More Information or Questions?

For more information or questions contact MCSIG customer service at (831) 755-8055 or toll free at 1- (800) 287-1442.

