SuperMed®

ADMINISTRATIVE KIT

A reference manual of policies and procedures

ADMINISTRATIVE KIT

MEDICAL MUTUAL OF OHIO®

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Welcome to Medical Mutual.

This kit will help you administer and understand the details of your group health program. We also offer *EmployerLink*, an award-winning online enrollment administration tool. On *EmployerLink*, you can take advantage of a variety of features such as:

- Ordering identification (ID) cards
- Paying your monthly invoices
- Viewing certificate books
- Changing personal and dependent information

To register for *EmployerLink*, visit MedMutual.com and go to the Employers tab. For *EmployerLink* technical support, call 800.218.2205 or e-mail employerlink@medmutual.com.

Enrolling New Employees

New employees may enroll at the time they are hired or at the completion of any probationary period your company may have. Applications must be received by Medical Mutual not later than 31 days after the date the employee becomes eligible for coverage under the company's contract. All eligible employees must complete an *Application and Policy Change Form*. If employees and/or dependents do not want coverage, then they must sign a waiver.

Late Entrants

If employees or dependents do not enroll at the time they are initially eligible, they can enroll as late entrants (as defined in the group contract), but they must submit a *Medical History Questionnaire* with their application. These individuals cannot be declined coverage for health reasons according to the Health Insurance Portability and Accountability Act of 1996 (HIPAA) regulations. Late entrants may apply for coverage during their employer's annual election period, which coincides with the employer's renewal. The late entrant will have the month prior to the effective date of the renewal, as well as the month in which the renewal is effective, to enroll. If the application is received outside of the two-month open-enrollment period, that application will be returned.

Completing the Application

Each new applicant should complete an *Application and Change Form* as close to the effective date of coverage as possible. The employer group official should indicate the appropriate group number and coverage effective date on all applications. Incomplete or inaccurate applications may delay the enrollment process.

When there is a change in your group information

Please notify the Medical Mutual Membership department of company name or address change, telephone number or fax number change, or if the individual contact for the group changes.

Eligibility

Medicare Eligibility

Group officials should notify the Medical Mutual Membership department within 60 days of the certificate holder or spouse's 65th birthday, or if he/she is eligible to receive Medicare benefits. Depending on the certificate holder's age, employment status and Medicare status, coverage may be continued *(see Coordination of Benefits section, p. 6)*.

Disabled Dependent Children

The plan allows for continuation of coverage for dependent children beyond the standard maximum age for dependents if the child is incapable of employment because of a disability that started before the age maximum was reached. Written verification of the disability from a physician may be required. The employer group official must notify Medical Mutual when such a child meets the age maximum so that a *Continuation of Dependency Form* can be sent to the certificate holder to complete.

Retired Employees

Upon retirement, employees may elect to continue their coverage through the following options:

- Retiree coverage for those group policies in effect with Medical Mutual prior to March 1, 2006, that offered retiree coverage
- Medicare if the employee is Medicare-eligible
- Consolidated Omnibus Budget Reconciliation Act (COBRA) if the employee is not Medicare-eligible
- Direct non-group plan from Medical Mutual *(see Conversion/Continuation of Coverage section, p. 7)*

When to make additions and deletions

Additions

Marriage

To add a spouse to their coverage, the certificate holder must notify Medical Mutual within 31 days of the marriage. The coverage will be effective as of the date of marriage. After 31 days, the spouse can be added as a late entrant.

Birth of a child

Coverage for a newborn child is effective for a period of 31 days from date of birth. To continue coverage for a newborn child beyond the 31-day period, the certificate holder must notify Medical Mutual within that period. If adding the newborn results in a change in premium, the 31-day enrollment period applies, and any applications for such dependents received after that period are considered late entrants. However, in instances where no rate change occurs, the application to add a newborn must be received within one year.

Adoption

If notification is received within 31 days after the adoptive child's placement, the child will be covered as of the date of placement. If adding the newly adopted child results in a change in premium, the 31-day enrollment period applies, and any applications for such dependents received after that period are considered late entrants. However, in instances where no rate change occurs, the application to add a newly adopted child must be received within one year. Written verification of the placement date from the adoption or placement agency must accompany notification.

Deletions

Children Reaching the Maximum Age for Dependents

When a dependent child reaches the limiting age as specified in the Certificate of Coverage, the child will no longer be eligible for coverage under the employer group contract. The child may apply for conversion to a non-group plan within 31 days of reaching the limiting age *(see Conversion section, p. 7)*. If applicable, state or federal continuation is possible for additional details *(see p. 7)*.

Divorce

If a certificate holder divorces, notification must be sent to the Medical Mutual Membership department within 31 days of the divorce being finalized. Termination of coverage under the current certificate holder's program will be effective on the date of divorce and continuation of coverage must be offered to the divorced spouse *(see p. 7)*.

Death

The Medical Mutual Membership department must be notified in writing about the death of any person covered under the contract. The notification should be sent within 31 days after the date of death *(see p. 7)*.

Termination of Employment

When an employee terminates employment, he or she will no longer be eligible for employer group coverage. The Medical Mutual Membership department must be notified within 31 days of the termination date to receive proper credit on the group's monthly invoice *(see p.7)*

Pre-existing conditions

In accordance with the group's contract, a waiting period clause for pre-existing conditions can be applied for all new enrollees, except newly acquired dependents (by birth or adoption). Under this clause, no payment will be made for services related to a pre-existing condition, as defined in the subscriber certificate.

HIPAA allows for crediting the time a person was covered under previous health coverage if there was no more than a 63-day gap in coverage before the effective date of the new coverage (probationary periods excluded).

To receive credit for previous coverage, submit a Certificate of Creditable Health Coverage with the new enrollee's application. Medical Mutual can assist you if you have trouble obtaining a certificate.

Coordination of Benefits

Coordination of Benefits (COB) applies in situations where Medical Mutual certificate holders and/or dependents are covered by more than one health benefit plan. COB allows enrollees to receive the most complete coverage available to them while assuring that payments are shared equitably by the insurance plans involved. COB eliminates duplicate payments and helps to keep premiums down.

When the employer group official becomes aware of employees who are also covered by another group insurance plan, he or she should notify the Medical Mutual Membership department.

Order of benefit determination

Under the COB program, the following procedures are used to determine which insurance company is to pay a claim first when a certificate holder and/or dependents are covered by more than one health insurance plan:

- The plan covering the patient as an employee pays before the plan covering the patient as a dependent
- The plan covering the patient (or dependents) as an active employee pays before the plan which covers the patient (or dependents) as a laid-off or retired employee.
- If a patient is a dependent child, the plan of the parent whose birthday falls earlier in the year pays before the plan of the parent whose birthday falls later in the year.
- If both parents have the same birthday, the plan in existence the longest period of time pays first.
- If the patient is a dependent child of parents who are separated or divorced:
    - The plan of the parent with custody pays first.
    - The plan of the spouse of the parent with custody (the step-parent's plan) pays next.
    - The plan of the parent without custody pays last.
    - If the specific terms of a court decree state that one of the parents is responsible for the child's healthcare expenses, that parent's plan pays first

Continuation of Coverage and Conversion

COBRA. Under provisions of the Consolidated Omnibus Budget Reconciliation Act (COBRA), an employer with 20 or more employees is required by law to offer continuation of coverage to employees, their spouses and dependents if they lose coverage due to a COBRA-qualifying event. If you are unfamiliar with this law, we urge you to speak with your legal counsel to determine your specific responsibilities. If a certificate holder qualifies for continuation of coverage and has not yet advised the group official that he or she wants COBRA, they should be removed when coverage would otherwise end. The certificate holder can be retroactively reinstated with no gap in coverage if the certificate holder decides to exercise his or her rights within the grace period. The certificate holder must fill out a new application form. If the certificate holder elects to receive continuation of coverage, he or she will remain part of the employer group and will be eligible to receive the same health insurance coverage as they had on the last day of coverage of the group coverage.

Ceridian. Medical Mutual has contracted with Ceridian to provide COBRA administrative services for you and your employees at no additional cost. This service is required of all Medical Mutual groups unless you have specifically waived this coverage. If you think your company qualifies for COBRA and are currently not using this service, call Ceridian at 800/488-8757.

State Continuation for Fully Insured Groups. Regardless of the size of your group, employees might also be eligible to continue coverage on the employer's policy for 12 months after termination. State law allows the employee to continue coverage for himself/herself and any dependents when his or her employment terminates. This continuation is not available separately for dependents. You must notify your employees of this right of continuation. Please contact your legal counsel for further details regarding this state law (Ohio Revised Code Section 3923.38. For SuperMed HMO® or HMO Health Ohio®, see ORC Section 1751.53).

Conversion to Non-Group Policy. If your group's contract is in effect, but an employee is no longer eligible for coverage, he/she may be eligible for coverage under Medical Mutual's Conversion Policy. The conversion coverage may be different from the coverage provided under the group contract.

To qualify for state Continuation of Coverage, the employee must:

- Have been covered under a group policy for three months prior to termination
- Involuntarily terminated for reasons other than gross misconduct
- Not be eligible for Medicare or any other group coverage

Conversion cont.

Certificates of Creditable Health Coverage. Medical Mutual will provide a Certificate of Creditable Health Coverage upon notification of cancellation of an employee and/or dependent. The notification will be sent directly to the certificate holder's home. This notification is a requirement of HIPAA. In addition, members may send written requests for copies of certificates to the Medical Mutual Membership department, or call the Customer Service number on their ID cards.

Billing

Fully Insured Groups

Monthly invoices are mailed during the month prior to the period for which payment is due. For example, coverage for the month of June would be billed by May 15. The billing reflects the employer group's membership status as of the date that the billing was prepared. Because Medical Mutual provides prepaid healthcare coverage, the group's monthly payment must be submitted before the first day of the month for which the coverage applies. Late payments can result in delayed verification for hospital admissions, delayed claims payment and other services, or cancellation of the policy.

Self-Funded Groups

Please refer to the *Invoicing Addendum* in your contract.

Contract and Rate Notification

New groups enrolling with Medical Mutual will receive both an application for group coverage and a rate quote listing premiums for the first year. At least 30 days prior to the renewal date, a notification of the following year's premiums will be forwarded to the employer's group benefits official. If the group wishes to make changes in coverage, it must be done at renewal time through your Medical Mutual representative or broker.

You will receive the following documents when the group contract is finalized:

Certificate of Coverage

Certificates of Coverage are issued to each enrolled employee. The certificate of coverage details the coverage and the terms and conditions of the group contract.

Identification Cards

Two ID cards are issued to each certificate holder. The cards can be mailed directly to the certificate holder's home or distributed by the employer. Additional ID cards can be ordered from the *Members* section of MedMutual.com, or by calling the Customer Service department using the number on located on the ID card.

Notes

MEDICAL MUTUAL OF OHIO®

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